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FOREWORD

Economic life has changed to an exceedingly great degree in the United States in the last two decades. It was a little over twenty years ago that the United States government began to take responsibility for the aged and the unemployed. Twenty years ago a system of taxation went into effect which did away with the possibility of acquiring the great fortunes characteristic of early American industrial expansion. Twenty years ago labor and management were invited officially for the first time to sit down together in government councils. Trade unions had recognition. Collective bargaining became accepted by the employer and employee. Under new legislation, businesses were watched to see that investors' money was protected. The old-time liberal with his white lists (of those industries which had good conditions for their employees), his trade-union support, campaigns for benefits for the aged, the poor, the widowed, would think that the millenium had come. His particular millenium may have come. But the sanctification of wealth, personal and national, for the benefit of man has not yet reached the millenium stage. For the Christian, sanctification is of utmost importance.

The present volume is devoted to ways of achieving sanctification. It looks at the teachings of Jesus concerning wealth. It sets before the reader the national and international responsibilities inherent in the use and the control of wealth. There is a broad concept of wealth—not that of money alone, but also the practices of trade,

international agreements, conservation, and development
of land, the use of an individual's wealth, whether that
wealth be actual money or wealth created by his labor.
Throughout the book runs the urgency of the personal
responsibility of the Christian for the use of wealth—
his own, his nation's, the world's. Never before has the
individual had as much power to take such responsibility.

We present this book in the hope that those who read
will be able to use this power in such a way that wealth
becomes sacred — a trusteeship to God for man.

CHRISTIANITY AND WEALTH

By W. A. SMART

It is probably inevitable that in a supposedly Christian society the authority of Jesus be claimed for every sort of social theory. He has been appealed to in support of slavery, war, pacificism, the use of wine, monasticism, voluntary poverty, patriotism.

Similarly his support has been claimed for every sort of economic theory. Our capitalistic system has been defended as the Christian way of life in the business world, and its critics have been denounced as enemies of Christ's church. Socialism, which many have hailed as the cure for the evils of capitalism, has also claimed Jesus as its sponsor, and at one time the phrase "Christian Socialism" was common. Communism as economic theory (not Russian political totalitarianism) has been described as Christianity with God left out. And in earlier ages the monastics, who repudiated almost all economic theory and were wedded to poverty, claimed to be following Jesus.

The truth is that Christianity has existed in practically every kind of economic system because it is independent of all economic systems. It is equally at home in capitalistic societies such as the United States and in socialistic societies such as England. It can flourish in primitive societies where barter is the method of trade, and in highly developed social cells which practice common ownership. Christianity has no economic theory.

The simple fact is that Jesus was not a social reformer. In a day which depends largely on the juggling of social

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patterns for the salvation of civilization, it is natural that we look to him for leadership in social reforms, and in recent years "the social teachings of Jesus" have been much more popular than the religious teachings of Jesus. But it is not probable that Jesus ever undertook to change a single social pattern of his day.

He lived in a world where slavery was taken for granted, and he never undertook its abolition. Democracy has been called "Christianity in politics," but Jesus lived under the autocracy of the Roman Caesars and refused to lead a movement for its overthrow. He never undertook to abolish the liquor traffic. And just as he did not lead reforms in these areas, so he did not suggest any kind of reform in economics.

Not that such reforms were not eventually necessary. They were. And the influence of Jesus will always be felt in every effort to improve our social practices. But such influence will be the corollary of Jesus' teaching, and not its content, for Jesus was a religious genius and not a social reformer.

Jesus And Money

Yet Jesus said a great deal about money. According to the records which have come down to us, he said more about money than about any of the doctrines which the church has cherished as essential. There is more about money in the synoptic gospels than about Jesus' own divinity, or life after death, or even forgiveness of sins. And Jesus was talking in a very poor corner of the world where there was little money, and usually to the poorer people in that poor section, for it was the common people who heard him gladly.

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Jesus' emphasis on money and his warnings against its dangers are so pronounced that many have attributed them to the fact that he was a poor man himself and therefore felt some hostility to the rich.

But that is false on both counts. The poverty of Jesus has been consistently exaggerated. He was born in a manger, but it is explicitly stated that Joseph could not find room in the little inn. In such small-town inns the shed for people and the shed for their beasts were on opposite sides of the same enclosure, and when one was full it was natural to go across to the other. Jesus said that he had not where to lay his head, but that, too, has nothing to do with poverty. It was due to his wandering from place to place, and until the last three years of his life he seems to have had a perfectly good home in Nazareth.

Jesus certainly did not belong to the rich classes, but there is no evidence of real poverty. He worked at a trade, and seems to have supported a family of at least eight for years, since Joseph ceases to be mentioned and had probably died. (Mark 6:3).

Most of Jesus' friends, while not rich, seem to have been comfortably self-supporting. Peter and Matthew owned their own homes (Matt. 8:14; 9:9, 10), and the father of James and John had hired servants (Mark 1:20). Jesus and the twelve had a common treasury, and interestingly enough, some women among his followers seem to have been able to contribute to the expenses of his journeys (Luke 8:1-3).

If it is not true that Jesus was poverty stricken, it is equally untrue that he was hostile to the rich. Zacchaeus

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was certainly well-to-do (Luke 19:1-10), and Matthew as a publican must have shared the wealth which made the publicans so enthusiastically hated by the Jews (Luke 5:27-32). Joseph of Arimathea is described as "a rich man . . . who was also a disciple of Jesus" (Matt. 27:57, 58). Nicodemus, a member of the Sanhedrin or Supreme Court, brought an immense offering at the time of Jesus' burial (John 19:39). And many of Jesus' stories, such as the Parable of the Talents, are based on the approved ways of making money.

It is really interesting to note how completely devoid of class consciousness Jesus seems to have been. Just as he welcomed Greeks and Samaritans along with Jews, so he seems to have been equally at home with the rich and the poor, the learned and the ignorant. There was no basis for exclusion in Jesus.

Just at this point the thinking of many of us Christians goes astray. Jesus had no objection to money: he worked for money as a carpenter: he and his disciples had a common purse: he had some wealthy men among his followers: he dined with the well-to-do: therefore there is nothing un-Christian in money, and I will work to get as much of it as I can, being careful to give as much to good causes as is necessary to keep my standing in the church and in society. Thus we rationalize lives lived on the basis of pure selfishness, and give only to satisfy our consciences and our associates.

If we would understand Jesus' attitude toward money, which constituted so large a part of his teachings, we must first get back to his interpretation of religion, or of life, for everything else proceeds from that.

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Jesus Has One Life Purpose

And here Jesus is so simple that he is disconcerting. He makes the impossible sound almost commonplace. For him there was only one purpose in living, and that was to do the will of God. It was not to accept the will of God as a legitimate restraint upon his own impulses, but joyfully to accept life as the privilege of uniting with God in the working out of God's purposes. Religion was not one interest in life, to be fitted into many other legitimate interests. It *was* life. It was Jesus' meat and drink to do the will of the Father. He must work the works of Him who had sent him while it was day. "The Father worketh hitherto, and I work." God had created life, so Jesus came that men might have life and have it abundantly. He prayed that God's will be done even though it meant that he be murdered as a young man when he should have been just getting started.

Jesus' interpretation of life was so limpid clear that it is unmistakable: it was so exalted that it is baffling. The purpose of life was not to make money, so he did not lay up treasures on earth, and the man who had money and nothing but money he called a fool. A man's life did not consist in the things that he possessed, and Jesus simply would not have understood what we mean by "making a success."

Similarly the purpose of life was not security, the word which has bulked so large in much recent discussion, for he never knew security nor sought it. Nor was popularity the measure of life, nor power, nor the other things for which most of us work while trying at the same time to keep up a respectable relation with the church. There

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was but one purpose in life. To achieve it meant success regardless of everything else, and to miss it meant that life had been a failure. That purpose was that he and his Father might be completely one, and that he might lead his followers into that oneness.

The results of such a life will be far reaching, but the basic idea is simple. We cannot serve two masters: we must choose either God or mammon. And having chosen God, we must serve Him with a singleness of purpose and a completeness of dedication such as a soldier carries into battle. Everything else, family or fortune, security or social standing, must be oriented to the master passion of life, which is the will of God.

And this passion for God expresses itself in love for people who are the objects of God's own love. Thou shalt love thy neighbor as thyself is the other side of the command to love God supremely. He that loveth not his brother whom he hath seen, how can he love God whom he hath not seen? This commandment have we from Him, that he who loves God should love his brother also. Jesus' interest in people was thus derived from his religion. We love because God first loved us.

Jesus therefore went out into life to dedicate himself to the needs of the world like a doctor working in the midst of an epidemic. The rich, the poor, the Pharisee, the publican, the magdalen, the Sanhedrist; it made no difference so long as he could identify himself with their needs and so share his life with them.

What Shall I Do With Money?

Against no less searching background than this must we think the Christian attitude toward money. It must

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be determined by my attitude toward my life, for my money is, in a sense, so much of my life coined and made negotiable. Through my work I have come into possession of so much money, which means so much power to affect my own life and the lives of others. The question what I shall do with my money is close akin to the question what I shall do with my life. From any Christian viewpoint my money is a trusteeship. It all belongs to God if I belong to God, and it is for me to decide what I shall do with God's money.

Here our thinking so often becomes confused and un-Christian. We think of "giving God his part," a tithe or some other amount, and then keeping the rest as "our part" to be used without further responsibility to God. When we have paid God his tenth we are satisfied and God should be, for he has had what is his. We do not come in sight of Jesus and his thinking until we realize that we cannot give God anything but our love, and certainly we cannot buy from him the right to use nine-tenths of our money for purposes aside from his interests. The challenge of money is not to my purse but to my soul, and what we need is not the mathematics of giving so much as regeneration.

Jesus' interest in the poor is obvious. One of the stated purposes of his mission was that he might preach good tidings to the poor (Luke 4:18). When John sent messengers from prison to question him, Jesus reassured them with the fact that the poor had the gospel preached unto them (Luke 7:22). He admonished his hearers to give to those who begged and not to refuse loans to those who needed them (Matt. 5:42), and again to sell their possessions and give alms (Luke 12:33). He ad-

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vised the rich man to sell his property and give to the poor (Mark 10:21).

But the larger part of Jesus' teaching about money is concerned not so much with the poor who need it as with the rich who need to get rid of it, or to cease organizing their lives around it. To live for possessions is to live for self, regardless of how much or how little one may own, and to live for God is to live for others, and life cannot go in two opposite directions at the same time. It was not a law laid down by Jesus, but an observation on life, that one cannot serve God and possessions.

This is the meaning of the familiar statement that it is hard for a rich man to enter the kingdom, even harder than for a camel to go through the eye of a needle. It is possible: with God all things are possible. And it is doubtless more often seen today than it was in the days of Jesus, for the leaven of the gospel has been at work and there are many rich men who really share Jesus' passion for God and humanity and who accept their wealth as a trust to be used in furthering the kingdom.

But it is still true that the very process of becoming wealthy organizes one's life around other interests than those of Jesus, and it would be difficult to imagine Jesus working to become a rich man in a poor world.

The Danger of "Separation"

That is the meaning of the Dives story (Luke 16:19-31). Dives' wealth brings a terrible temptation to be separate in interest from his kind. He is the only individual whom Jesus pictured as going to torment, and yet it is not suggested that that he never did anything that

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the church has learned to call sin. Seemingly Jesus's standards were different from ours.

The only indictment against Dives is Lazarus, the beggar at his gate. If the kingdom involves loving one's neighbor, even one's begging neighbor, as one's self, then Dives' absorption in making a "success" had made it impossible for him to qualify. Living to make money checks one's impulse to serve others, and it interferes with his spiritual growth. Humility has been recognized as the greatest Christian virtue, and making money certainly does not make for humility. It is an interesting paradox that success in almost any field puts additional strain on the Christian spirit, for the tendency of success is to make one less humble toward God and less neighborly toward men.

It is no dreamy idealism when Jesus challenges us to lay up heavenly treasures and not earthly. The pursuit of earthly treasures divides men: the pursuit of heavenly treasures, such as righteousness and truth and love and gentleness and brotherhood, unites them. And it requires a high degree of sanctification to use earthly treasures to further spiritual ends.

That was what the Rich Fool (Luke 12:13-21) never discovered. There is no suggestion that there was anything wrong in the way he had made his money. It is not implied that he was an immoral man, nor irreligious. But from the Christian viewpoint he had been trapped by his money and had failed to find the true meaning of life. He actually thought he could feed his soul on grain, and told it to rest and take its ease because his granery was full. And when it was all over and he had to give

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an account, he found himself bankrupt because money was not legal tender with God. A man's life simply does not consist in abundance of possessions, but this man had nothing else.

At the risk of being repetitious, it must be insisted that in these and the many other sayings of Jesus about wealth and wealthy people, the trouble was not merely in the possession of wealth, and still less in the fact that they did not give enough of it to the church. It went much deeper. Their attitude toward money was in part the cause, and in part the outward expression of the fact that their lives had never been gripped by the great passion of Jesus for God and humanity. What they needed was not merely to reorganize their giving: it was to dedicate their lives, so that they would find a thrill in living for others. Money is power, and like all power, it becomes corrupt and corrupting unless it is dedicated to God and his human family.

Jesus' teachings about money have to do with the use of it. The problems connected with the making of it are not mentioned because our modern industrial system had not yet been born. Theirs was the simple system of individual wages for individual tasks, except where slavery made any sort of wages unnecessary.

Problems concerning unions, wages, hours of labor, pensions, co-operatives, profit sharing, dividends, public ownership, trusts, tariffs, governmental subsidies, and all the rest of our complex modern machinery simply did not exist. Jesus talked about how a man should use his wealth after he had got it, but there was little or no moral problem connected with the problem of making money.

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No One Christian Answer

And of course there is no Christian answer to any of these questions. It is just as unjustifiable, and just as foolish, to tie Christianity to any economic system as to tie it to any political system. Christianity is very much interested in everything that affects the well being of men, but answers in specific cases will vary with time and with the many relative factors involved. What Christianity might advocate in one case might be foolish in another case, or impossible.

But the Christian principle is the same, however varied its application, for it is the fundamental principle which underlies *all* life for the Christian, whether private or corporate.

The life of industry, like the life of the individual, must justify itself by its contribution to God's purpose, which means richness and fulness of life for God's children. The purpose of a shoe factory or a cotton mill or a coal mine, from God's point of view, is not that a few of his children might become rich, but that all God's family might be supplied with the things that make for life.

Of course this implies sound business principles. God is not honored by bankruptcy. As usual, Christianity goes much deeper than business techniques, and speaks to men's motives. As part of a program of vocational guidance some years ago, Emory University invited five prominent professional and business men to speak to the students about their various interests, and every one of the five insisted that his line of work was a social service, and that no student should enter it merely to make money. Mixed through the motives of all of us

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are, every right thinking man is glad to boast of the value of his line of work to society, and as a Christian he can do no less.

All this has been said many times, and probably does not need repeating. With our minds (and consciences) we approve the demands of God that they are good, but like Paul we find that we cannot practice them.

Jesus Does Not Ask What Is Practicable

It is the glory of Jesus, and the despair of his followers, that he does not bother to ask what is practicable in any given situation. He is interested in the will of God, and he throws it on the screen in absolute, unqualified form, and men can spend eternity trying to achieve it.

For instance, when Jesus talks about how good men should be, he says simply, "Be ye perfect as your Father in heaven is perfect." To say less would be compromise, and yet we know that such a measure of perfection is impossible. Similarly when Peter suggested that he might forgive seven times Jesus changed it to seventy times seven so as to put it beyond the possibility of human achievement. God's will was that we should not take oaths to guarantee truthfulness, but we still consider them necessary in lawsuits and other human relations. God's will was that there be no divorce (Matthew's exception is not in Mark or Luke, and is almost certainly a later addition), but we feel that under some circumstances divorce cannot be avoided in our imperfect society.

And the same is true in this matter of possessions. We simply do not love our neighbors as ourselves. We cannot feel as deeply concerned about the needs and the

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health and the frustrations of all people (and "neighbor" includes everybody who needs help) as we do about our own. We cannot implement such familiar ideas as the brotherhood of man in daily living. I think I know what I would do if I had a brother who was starving, but I cannot do the same for everybody in my own city, not to mention the thousands who are starving in Asia. Can I complacently eat more than I need three times a day while I think of the anguish of my brothers over the world? Do I meet the demands of brotherhood by giving an occasional dole?

We probably spend enough on soft drinks to make a difference in the food supply of the Orient. The desserts which we eat today after having eaten full meals would go far toward keeping millions of my brothers from dying of starvation. Is the answer that we have no soft drinks or desserts? One feels such an answer to be unrealistic, and yet one hesitates to say what Jesus might do—or what we ourselves might do if the dying were really our brothers. Is the story of Dives feasting while the beggar lies at the gate useful only to provide a text for sermons and an illustration for articles, or does it mean something for Christian conduct? There are still beggars.

We commonly recognize self-sacrifice as Christ-like. A doctor who gives free practice to the poor is doing a Christlike thing. A Schweitzer who turns his back on two or three possible careers of brilliance in Europe to go to the illiterate natives of equatorial Africa is more conspicuously Christlike. We honor the Christlikeness of a Father Damien who goes to live with the lepers. But what do these things mean? Do they mean that in

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order to be Christlike we must all make such sacrifices, or be willing to make them? Or if not, do they mean that Christianity approves different levels of dedication for different people, with a considerable amount of self-interest mixed in? We cannot keep our consciences from approving, but we cannot feel that we should practice that which we approve.

The Fundamental Paradox of Religion

Here we deal with one of the fundamental paradoxes of our religion, that the will of God, just because it is perfect, so often seems unrealizable in our kind of world. Many use that as an excuse for giving up the effort and compromising with the conventional. God knows I cannot do it, so I will do what I carelessly call "the best I can" and stop worrying about it.

But the sensitive conscience cannot buy its freedom so easily. Once having seen the ideal of Jesus, he cannot get away from it because he knows that it is right. It is the command of God, and he dare not set it aside.

It is probable that he is honestly confused as to just what he ought to do. Obligations to self, to one's family, to one's job, to one's country, and to one's needy brothers frequently seem to conflict. But he knows that whatever he does, it will fall short of the perfect will of God. He finds new meaning in Jesus' statement that after we have done all we are unprofitable servants. Penitence becomes continuous, and he lives daily as a pensioner on the grace of God.

But neither his penitence nor God's grace gives him license to turn away in frustration and live a life of respectable selfishness. He knows there is value in the very

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dreaming, and he finds the companionship of his Master in his vicarious suffering. And, too, he is certain that if the spirit that was in Jesus can really work through him and through others, it will gradually create a world in which Christlikeness can more nearly be achieved.

Questions To Be Considered While Reading Christianity and Wealth

1. Do the teachings of Jesus support any economic theory or social system?
2. Why do you feel that the subject of money is mentioned more than any other subject by Jesus?
3. Where does one's thinking go most often astray on the question of money?
4. Is there something wrong with the idea of "giving God his part" of one's wealth?
5. What does the sentence—"my money is, in a sense, so much of my life coined and made negotiable"—mean to you?
6. With what does the larger part of Jesus' teaching on money concern itself?
7. What is the meaning of the Dives story?
8. Is the main task for the Christian as concerns money to reorganize his giving?
9. What is one of the most fundamental paradoxes of our religion in relation to economic responsibility?
10. How does the sensitive conscience deal with this paradox?

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By BENSON Y. LANDIS

What are the special responsibilities of a Christian who is a manager of the savings of other people? What is the relation between the fact that a group of people are bearers of a Christian testimony and the fact the persons comprising this group are also employers. What does it mean to be a Christian and a dairy farmer, or a Christian and an artist, or a Christian and a member of an active local of a labor union, or a Christian and a member of a highly skilled profession? What does one take into account as one makes the important decisions?

Probably most of us often find it difficult, and frustrating at times, to love one's neighbor and treat him fairly in the practice of a vocation, and perhaps, particularly when matters of wealth are involved. We live in a time of upheaval, of quick changes, of insecurity for many persons, of tremendous technical "advance" and also of consequent moral confusion. It is an era of testing of traditional ethics, of suffering in the process of changing standards of the creation of new goals. Thus those who are concerned with remote ideals and immediate objectives, together with good methods for attaining both, constantly face challenges. "Our whole life is startlingly moral," as has been aptly said.

Standards For A Christian Farmer

One farmer is often an investor, a manager, an employer, and a laborer in one person. What of his situa-

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tion in relation to Christian ethics? What does it mean to be a Christian dairy farmer? In southern Wisconsin a group of Christian dairy farmers met and answered the question in realistic terms. They know their answers are not perfect or final. They know that the standards they have set for themselves will not be simple or easy to attain in a competitive economic situation.

The Christian farmer on a dairy farm, say these men, pays attention to the prevention of soil erosion and to positive conservation practices. When he drains land he considers whether he is reducing the water level for his neighbors. He feeds his animals properly, does not force them by overfeeding, thus endangering their health. He seeks to operate the land as a family business, as a family-type farm. Here management and most of the labor is supplied by the family, which in turn receives its benefits, and the returns are not to be gained at the expense of employees on the farm.

The Christian dairy farmer participates in recreation events; he affiliates with a cooperative or another marketing organization that permits him to have an effective voice in the highly organized world in which he lives; he observes the standards of the community in matters of sanitation and health. The Christian seeks no special privileges from the government; he uses governmental services that are beneficial; he exercises his influence to see that the government farm program is operated effectively. The Christian dairy farmer works to the end that all may have equal opportunities, freedom of speech, and a social atmosphere in which Christian ideals and democratic principles can be developed. What do you think about these ideas?

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Standards Beyond Professional Code

As we consider Christian vocation and wealth, can we get special help from the professions? Does a Christian member of a profession help create a code for fair dealing, and observe it, and then go on to try to attain standards of conduct beyond the code because he is a Christian?

Nearly every profession has its code of ethics formulating ideals for its members and, in many instances, defines practices found to be good in the experience of the members. Some of these codes are old, or even of ancient origin, e.g., those relating to medical ethics. Others have been hammered out in relatively recent year. The codes vary in effectiveness. Many, perhaps most, are rather vague declarations that are adopted only to be forgotten, or to be hung on walls in beautiful frames. Some organizations have codes with specific declarations and enforcement machinery whereby a member suspected of violation may be tried and, if found guilty, be punished.

The sum and substance of the professional ideal, in all professions, seems to be this: An individual may receive compensation for his services if they advance the public interest. He may not receive compensation solely as a private reward. He is, in full effect, a public servant. Private interest is to be developed only as a by-product of the promotion of the public interest. The principle involved is part of the most serious and difficult business in human life. It places great responsibilities upon the professional person.

A current concern of many professional persons is the commercialization of much of our life. It is customary for professional men and women to condemn commer-

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cialization of business. It is more difficult to recognize the commercial spirit within ourselves than in others.

Church Not Exempt From Commercialism

No man or woman can practice a profession without participating to some extent in business or commerce, so important has our business civilization become. And no institution, certainly not the Christian church, is exempt from the commercial spirit. (Some of its own ministers are responsible for the presence of the commercial spirit in the churches.) The pervasive influence of commerce on our lives must be recognized.

Yet the knowledge and skill associated with the professions has come down to us through the labor and suffering of many unselfish persons throughout the ages. Men and women of this generation are the beneficiaries of the past. According to Christian teaching we are only trustees of that knowledge and skill, and are obliged to hand it on to others still unborn. Thus we have an obligation to the society from which our heritage came, and which nourishes us all.

This precious heritage, according to the ideals of the professions, is for all—not just for a chosen few. Men and women at their best have sought to nurture this heritage, and to apply this knowledge for the good of all.

But how shall we arrange things so that we sell knowledge, not only for private gain to those who use it for private gain, but rather so that there will be a process that will benefit society as a whole? This is the challenge thrown down to us by our industrial machine, by our depersonalized urban life, by our indecent housing, by our commercial farming.

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We have enough *knowledge* to improve our environment; to conserve resources, including life; to eliminate social irresponsibility from our production and distribution of wealth. Then why do we not apply it effectively? It is because we do not possess the inner motivation and power. Because these are lacking we apply our professional knowledge only to a slight degree.

Professional people thus now serve the public interest to only a minor degree. Often there is no one visible to represent the public interest. The forces of selfish interest are everywhere present and strong. How can we cope with them? This is our inescapable question. It is a common and a highly personal problem, because the professions are the keepers of knowledge and skill. They possess keys to the main gate; they must ask themselves if they will use them.

Many professional persons feel that they must, somehow, put the honor of their calling above the reaches of their own selfishness and weaknesses, and above the reach of customers and clients, corporations, governments, unions, and so forth. They need to make the forces of knowledge and skill victorious over the narrow, the demeaning, the petty interests.

Every professional person may make his own new start in Christian fellowship by asking himself such questions as: What do I regard as the most promising activities in the profession of which I am, or intend to be, a member? What is my opinion of the code of ethics of my chosen profession? In what manner should our code of ethics be revised? What does Christian stewardship mean in terms of participation in my profession? What are the most practical steps I can take in order to

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become a responsible and Christian member of my profession? What are the resources that inspire and enoble us in our quest?

Business Management Can Be Vocation

And business management—as a vocation—is it becoming a profession, too, with somewhat the same regard for the values of life associated with the professions? Opinions, and evidence, differ. There will be some who contend that business management of wealth is far different from professions in motive and method. Yet over 40 years ago Louis D. Brandeis, the noted liberal jurist wrote a book entitled *Business: a Profession*. Mr. Brandeis recorded the development of ethical standards of practice in the business world. Since that day there have been many developments in which business men have formulated new standards of practice, defining the desirable relations between competitors, between employees and employers, and between business and the public.

In what special ways do the Christian teachings about stewardship and trusteeship apply to persons in business? It is often remarked that in modern industry and commerce, ownership and management tend to be separated, particularly in large organizations. In a large corporation, the numerous scattered stockholders are mostly unknown to the persons who manage. It is possible for a man with little stock to be employed as a manager and not feel responsible as an owner. It is also possible for owners to be so removed from management as to know nothing about the great burdens of managers.

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Stewardship Of Property

How shall the Christian idea of stewardship be applied? The classical liberal idea has been that property should be under the immediate supervision of the owner. This is difficult to achieve in a large, interdependent but impersonal, world. How, then, can the ownership of property be made a public trust? Should Christians work to the end that the ownership of property shall be widely distributed? To what point should Christians favor the extension of the idea of partnership?

"It is one thing to work at a job. It is something more to meet the Christian standards of workmanship. Life is a serious business, and living at it as a Christian is hard, but deeply satisfying." So declared a large group of men and women from Canada and the United States, meeting in 1952 in an international lay conference on "The Christian and His Daily Work."

The theme was formulated by laymen for laymen. They went on: "God requires of us: 1. That we work in partnership with Him and in accordance with His laws. 2. That we work unselfishly for the good of our fellow men. 3. That as members of the church we continue to search our minds and hearts as we seek in our work to live up to the standards which Christ has taught us. With the help of God and Christian fellowship, we are determined, as individuals and groups in our various occupations, to work out and apply these Christian principles in our daily work, with full recognition of the cost. We call upon all laymen to join us in this task."

From the reports of certain of the numerous occupational groups:

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Attorneys: "If the practice of law is to be truly Christian, this further factor is needed—that Christian motive and Christian belief shall be made the basis for decision and action."

Health Services: "We recommend that study and discussion groups be set up in our churches bringing together Christian doctors, nurses, dentists, social workers, etc., for the purpose of viewing their tasks in the light of Christian faith and human need, and for focusing an activated Christian opinion on health-related problems . . . We believe that 'grass roots' action is important here, as in other areas of social concern, to encourage Christian vocation."

Industrial Management: "Stewardship seemed to have special significance for the managers of business and industrial enterprise . . . From the Christian standpoint—as well as that of business—there is involved the stewardship of such Godgiven resources as the capacities and skills of people, raw materials, capital funds, machinery, and energy."

What is the primary purpose of a business enterprise? To make money is an oversimplification. "It would be more accurate and adequate to give first place to the production of goods and services needed and wanted by consumers." Profits were regarded as "an essential requirement for the maintenance of a continuous and successful business enterprise, capable of paying adequate wages and meeting other obligations . . . Thus it was seen that the making of a profit should not and need not be regarded as a narrowly selfish motive but one capable of serving broadly essential social functions."

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"There was general recognition of a moral obligation to work for the economic and social well-being of society as a whole."

"Business leaders should be concerned with the avoidance of severe fluctuations in the business cycle, with the control of inflation, with fostering conditions of dynamic growth . . . not simply on grounds of enlightened self-interest but more importantly for moral and ethical reasons."

As for personnel, the "key principle" is "the Christian doctrine of the dignity and worth of the individual." The worker should be given "status as a person," which is very difficult under mass production.

"There was general acceptance of collective bargaining as a feature of present-day relationships between management and organized workers . . ."

"Much good might be accomplished if Christian leaders within management and labor might meet more frequently for fellowship and counsel."

A Christian Approach To Industrial Problems

The British Council of Churches recently brought together a group, most of whom are employers or managers, to consider "a Christian approach to industrial problems." A pamphlet has been issued giving discussions of such complex questions as "wage incentives," "the just price," and "co-proprietorship." Some of the issues that the group struggled with were those of how to recover "the individual pride of achievement experienced by craftsmen in former times," and of ensuring conditions under which all the persons in industry

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feel that they have a stake and a continuing responsibility. (It is remarked on all sides that the old pride of craftsmanship and a personal obligation for the job are passing from our scene.) This also is said: "Christians need to identify themselves with the problems, struggles, and responsibilities of a particular firm in a particular situation, as functioning members of that industrial community."

At the Ecumenical Institute at Bossey, Switzerland, which operates under the auspices of the World Council of Churches, many international vocational groups have been meeting for extended exchange of experience, concerning the relation of Christianity to their occupation. For example, teachers from a score of nations have met for several weeks. Recently there was a more venturesome experiment. The purpose of a conference was to explore the place of the arts—including literature and music as well as visual arts—as a creative human activity, and their relation to religion and to social life. Those taking part were painters, sculptors, novelists, poets, and musicians, from nine nations, including the U. S. A. The conference soon considered both the point of view of art as a commitment to propaganda of some social value, and that of art as self-expression. There were those present who stressed the necessity of the artist, saying it was becoming wellnigh intolerable in the modern world. It seemed to be agreed at least that Christian art had been of great service to the church, including its liturgy, and to the practical service of humanity through the church. Some said the artist should have before him "the New Jerusalem, 'a city of perfect beauty,' and of the risen, ascended, and glorified Christ."

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Vocational Rights And Responsibilities

What are the vocational rights and responsibilities of those who work at tasks usually associated with the world of labor? The historic teachings of Christianity have been interpreted to mean that creative labor is divine. But the Rev. James Myers, one of the most thorough students of religion and labor, has generalized: "Yet labor is not always divine. It can be degrading and destructive of human personality." There will need to be both new men and new conditions before "the Christian worker may find in his work itself a medium of fellowship with God."

For mass production has often become impersonal. Men and women stand at one place and tend a machine for eight hours a day. "I'm the girl that turns the crank that puts the nut upon the bolt of the thing-a-ma-bob-but I don't know what it's for." These were words in a popular song. They summed up many of the characteristics of the factory system. The worker performs one step in a process over which he has little control. The speed of the machine he tends is probably not under his control. He does not see the final product. He is not responsible for the total quality of the product. And this has been called the most dreadful aspect of modern industrialism. This is something far different from craftsmanship, in which a worker may create a design, then fashion materials in accordance with his own thoughts.

"The Church cannot in one hour or two of worship on Sunday restore the high qualities of Godlike personality of which mass production robs the workers during the week," observes Mr. Myers. Craftsmanship is

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reviving as an avocation largely. We are not going to make automobiles by hand. But, although we cannot go back to the life of the individual craftsman, we can go forward in sharing experience between management and labor, and in cooperation that will make industry a more human enterprise.

"The Christian worker should always be known as honest, reliable, faithful, conscientious, interested in doing a good job . . . Christian workers should be like leaven which leavens the lump — spreading tolerance, reconciliation, kindness, and real friendship through the shop. The above Christian virtues apply equally in a unionized shop and in an unorganized plant," Mr. Myers adds.

Equally sincere Christian workers—and managers—approach the matter of union organization with different conclusions. Like all organizations, labor unions may become intolerant, corrupt, impersonal—the union is probably a cross section of workers. The record is as mixed as that of farmers, professions, managers. Yet many objective observers refer to unions as promoters of industrial democracy, and in their public policies unions have favored social security and many other techniques of value to the whole community. Their record in race relations probably compares favorably with that of churches.

The goals have been stated thus: Labor must be free. It must be creative. There must be labor-management cooperation. There are many specific issues involved. Are there jobs that Christians in good conscience cannot do? Undoubtedly everyone will say there are some, and make a list. All good work is honorable, but what is

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...? Work with the hands, for example, is as
and important as "white collar" work.

Systems Under Which Men Live

There are also broader issues involved in Christian vocation in relation to wealth. These have to do with the arrangements, or systems, under which men live. Can one express Christian vocation equally well under the traditional free enterprise order, or the "mixed economy" under which we live, or the "welfare state," or the "planned economy, or a cooperative economy?" Or should Christians express a preference, or search for the best set of arrangements?

The role of government in the economy is about as controversial a matter as can be considered in the United States today. Compared with 50 years ago, the functions of government have expanded greatly. This has come about while our population was growing rapidly, industry calling workers out of farming, farmers asking for government price support, communities becoming interdependent, people demanding more government services, people wanting social security, and technical advances making more government regulations necessary. Also, there have been wars and more wars, which have required vast government purchases of commodities and vast new factories and wide employment of people. The current international insecurity convinces many conservative persons that a vast defense program is necessary.

Over the years, there have been five great trends in government:

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1. Regulation of economic enterprise has become more widespread.

2. The taxing power has become most important, and has been used as an aid in regulation, and as an aid in achieving some reforms (e. g., heavy inheritance taxes).

3. The government has created certain social minima and maxima—in wages and length of week, for example.

4. The government has gone into large enterprises such as reclamation, conservation, the development of the resources of river valleys, and so forth.

5. The government administers vast credit operations, and controls interest rates.

What is the significance of these trends? Are they evidence that we are building a great social democracy or that we are simply weakening in character? What are the criteria by which Christian people should judge these trends? What emphasis should we support? What sorts of voluntary cooperation should we encourage? Are Christians more in favor of individualism or of cooperation?

A student recently wrote to Alexander Miller, who quotes the letter in a book, *Christian Faith and My Job* (Association Press, 1946): "I am trained in accountancy and have been offered a good job. I can either take it or begin to work toward an accountancy practice of my own. But I don't want just the sort of job in which I'll collect my fee or weekly pay check. I don't want a mere bread-and-butter job. I want a job that will contribute toward a brave new world . . ."

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There are many questions of a similar nature. Can the churches actually help such questioners except by assisting them to consider the dilemmas, the pitfalls, the glorious opportunities to practice Christian vocation on terms of their jobs. The specifications and situations and ethical issues differ from vocation to vocation. Often questioners have gone on to say, "Ought I consider church work or social service?" The task of first importance would seem to be, in most instances, to enable an individual or a person to find the practice of Christianity apart from church or social service jobs. For these latter also have special dilemmas and problems of their own.

Questions To Be Considered While Reading Christian Vocation and Wealth

1. Why is the care of animals or the protection of land from erosion considered a part of the expression of the Christian vocation of a farmer?
2. What is the professional ideal as expressed in professional codes—i. e., doctor's oath, social worker's creed, etc.?
3. Do you accept the idea of management and labor or employer, employee as co-operators rather than antagonists in the production of social good?
4. If you accept this idea, can you carry it into your own relations—household employee with housewife, buyer with clerk in store—so that the relationship is socially productive for both? How?
5. Is there any way that you, as a member of a community, can help make the ownership of property a public trust?

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6. Do you think that one has to enter church work or some sort of humanitarian work such as nursing or social service to express a Christian vocation? *No*
7. If you feel that a "secular" vocation can be also a Christian vocation, do you expect as high ideals for the worker within that vocation as you expect of the worker in the humanitarian vocation? *yes*
8. Do you think that the first chapter of this study book has any answer for the preceding question?

WOMEN AND WEALTH

By HELEN WOOD

1854-1954
The past 100 years in the United States has been called the time of "the great change." When we think about the ways in which our country was transformed during this period, the countless new inventions that appeared on the scene—the electric light, the automobile, the telephone, radio, the atomic bomb—are likely to be the first things that spring to mind. Revolutionary developments in social, economic, and political conditions have also occurred, however. And high on the list of these developments—comparable in importance with such events as the abolition of slavery, the closing of our last frontier, and the emergence of big business—is the revolution in the status of women.

Within a few generations, women have advanced from an economic position, before the law, "little better than (that of) a child, a slave, or a lunatic" to a position of great importance in the Nation's economic life. As a background for considering the large share women now have in the production and ownership of the country's wealth and the challenging responsibilities this involves, let us look briefly at their situation a century ago and the way the great change in their status was wrought.

In colonial times and in the early days of the republic, women's position was governed in most parts of the country by the legal theory, derived from the English common law, that "marriage makes the wife one with her husband." The husband owned his wife's personal property and could take the rents or profits result-

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ing from it and from her real estate, which he had the right to manage. If his wife worked, he could have her wages. A single woman was in a better position legally, since she could claim and manage her own property and keep her own earnings. But so few socially respectable opportunities for employment were open to single women that they were actually more disadvantaged than married ones.

The change from this situation, which seems incredible today, was speeded by the movement for women's rights, which took form in this country just before the middle of the 19th century. The crusading women who led this movement made woman suffrage their foremost demand, but they did much to arouse the conscience of the country regarding other legal discriminations against their sex. Progress was first made in securing property rights for married women—so that long before women gained the vote, the right of a wife to control her own earnings and property had been generally established by state laws.

The widening of women's opportunities for paid employment came more slowly. It was brought about by the steady increase in the number and size of the nation's factories, the expanded demand for clerical workers, and many other economic and social changes.

Women have been both pulled and pushed out of a sphere of activity limited to the household. They have been pulled by expanded opportunities for employment at higher pay. They have been pushed by the reduced demands upon their time and interest at home, as more and more products that used to be made there have come to be manufactured outside, and also by their own and

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their families' need for income to purchase these products and maintain a satisfactory standard of living.

As we shall see, women are not yet employed in high-level jobs to the same extent as men. Perhaps they never will be, in view of their special family responsibilities. They have, however, reached a position of independence and self-determination in deciding whether to become wage earners and what field of work to enter, and a substantial share of the national income is now in their hands. Thus, women of today face a challenge, seldom presented to their grandmothers, for vision and understanding and the application of Christian principles in financial affairs and the business world as well as in the home.

Women as Wage Earners

More than twenty million women workers are employed in the United States. These workers include nearly one-third of all women, married or single. They also represent about one-third of all the nation's employed workers.

Probably very few women who hold jobs have stopped to consider that, by their work, they are helping to create wealth—that they are producers of the flow of goods and services which make up the national income and which have given this country by far the highest standard of living in the world. Yet the achievement of this living standard would have been impossible without a large and productive labor force, of which women have become an integral part.

Every major industry now relies on women to fill many positions, though the proportion of women workers is

Occupations of women workers, April 1953

CLERICAL AND
KINDRED WORKERS



5,090,000

OPERATIVES AND
KINDRED WORKERS



3,862,000

SERVICE WORKERS
EXCEPT PRIVATE
HOUSEHOLD



2,300,000

PROFESSIONAL,
TECHNICAL AND
KINDRED WORKERS



1,928,000

PRIVATE HOUSE-
HOLD WORKERS



1,854,000

SALESWOMEN



1,434,000

MANAGERS,
PROPRIETORS,
OFFICIALS



888,000

FARMERS AND
FARM WORKERS



580,000

OTHER OCCUPATIONS



498,000

Each symbol represents
350,000 women.

Source: U.S. Department of Commerce, Bureau of the Census.

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much higher in some industries than others. Manufacturing industries together employ about four and one half million women, who represent over one-fourth of all factory employees. In retail trade also, there is a great army of women workers—nearly four million, or about two-fifths of the total number of workers in this field. Another three million work in professional and related services, mainly, but by no means exclusively, in the schools and in health services, and nearly as large a number in personal services of various types, including domestic service; in the service industries as a whole, women workers greatly outnumber men. Other industries have sizable though smaller numbers of women employees. Even the construction and mining industries employ thousands of women, although in these and most other heavy industries women represent only a small proportion of the total work force.

In most industries, women hold a variety of jobs — stenographic or other clerical posts, selling jobs, operative positions (if the industry is a branch of manufacturing), and so forth. Chart 1 shows how many women are employed in different kinds of occupations, in all industries taken together. As the chart indicates, by far the largest group of women workers are those in clerical positions. Operatives and kindred workers are the second largest group, and service workers (except household employees) the third.

Women holding professional and technical jobs, the fourth largest group, are predominantly teachers and nurses. Among them, however, are many thousands in other "women's professions" — including social work, library science, and dietetics. And there are increasing

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numbers who have achieved professional status in fields such as medicine, the law, and engineering, which are still staffed largely by men. Women working as proprietors, managers, and officials, though one of the smaller groups of women workers, number about 900,000. This figure includes proprietors of small businesses and holders of relatively low-paid managerial positions (for example, that of resident manager of an apartment house), as well as women in higher-paid supervisory and administrative posts.

During the past few decades, women have climbed steadily toward the higher rungs of the occupational ladder. Very few have yet reached the top echelons of management, and men still predominate at all managerial levels. Nevertheless, a large number of women have attained "higher-level jobs" involving executive, supervisory, professional, or technical responsibilities. They are to be found working as buyers and service managers in department stores, as accountants and employment managers in insurance companies, as foreladies, sales managers, and purchasing agents in factories—to cite a few illustrations from a very long list of higher-level positions held by women in these and other industries.

A few paragraphs back it was pointed out that, by their work, wage earners add to the material well-being of the country, as well as to the contents of their own pocketbooks. Does this apply to people in all the occupations we have mentioned—including for example, clerks and buyers in stores, and personal service workers such as beauty operators? Economists of today regard all workers as contributors to the national income—the con-

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cept now generally used in comparing our standard of living with that of other countries and studying the ups-and-downs in general business conditions—and statistics on the national income include the dollar value of all work performed for pay. So far, the household services performed by wives have been excluded from the national income statistics, because of the difficulty of putting any dollar value on their work. However, some economists think that if these services were included, as logically they should be, estimates of the national income would be raised by a fifth or more.

A question of even greater interest to women who regard their employment as a Christian vocation is the responsibilities it involves in relation to other individuals. Worker's obligations to their employers and co-workers have been discussed in earlier chapters of this book. So we need consider here only the special problems faced by women workers who have family responsibilities.

Working women with families, especially those with children, have a double obligation—to fulfill their responsibilities as workers and also meet their families' needs, psychological as well as physical. As every working mother knows, this is no simple matter. The days when the baby is sick seem always to be those when she is most needed in the office. There is also the continuous problem of giving the older children the time and attention they need, especially in this period of steadily increasing juvenile delinquency.

Why Married Women Work

For reasons such as these, the arguments against taking a job may be strong in the case of a married woman.

INCOMES OF MEN AND WOMEN

Over two-fifths of all women have some money income.



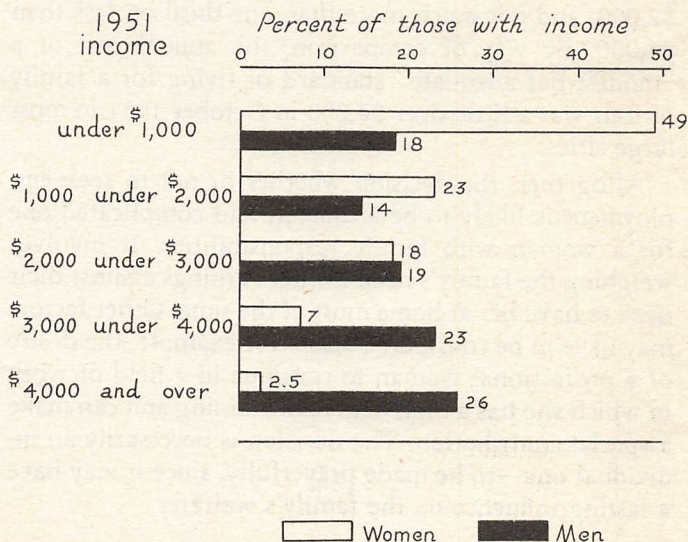
Percent of women with income of their own

But the proportion of men with income is twice as great.



Percent of Men with income

Women also have smaller incomes than men.



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Yet one-fourth of all married women in the United States are now working, mainly because their earnings are important to the family budget. The need of women's earnings is most obvious in those families—about one out of every eight—where a woman is the sole or chief earner. But even in more fortunate households where there is a husband who is able to work, his wages may be too low to give the family an adequate standard of living.

The U. S. Census Bureau has compiled figures on the 1951 income of families where both a husband and wife were present. One-fifth of those in which the wife was not working had a total income for the year of less than \$2,000, and nearly three-fifths had an income of less than \$4,000. Of the families where the wife was employed, only one-tenth had to manage on less than \$2,000, and not much more than one-third on less than \$4,000. By way of comparison, the annual cost of a "modest but adequate" standard of living for a family of four was a little over \$4,000 in October 1951 in most large cities.

Altogether, the decision whether or not to seek employment is likely to be a difficult and complicated one for a woman with family responsibilities. It involves weighing the family's need for her earnings against their need to have her at home most of the time. Other factors may have to be considered also—for example, the desire of a professional woman to continue in a field of work in which she has a high degree of training and can make a special contribution. The decision is necessarily an individual one—to be made prayerfully, since it may have a lasting influence on the family's welfare.

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Part-time employment is a possible compromise, which has proved the best solution for many women, particularly those with young children. Nearly two out of every five women workers with children under 6 and more than one-third of those with children aged 7 to 17 are employed part time. In contrast, the proportion holding part-time jobs is little more than one-fifth among working women who are single or divorced or who are married but without children under 18, and it is less than one-tenth among men workers.

Farm work and domestic service are the two largest fields of employment for women part-time workers. Many of those doing farm work are unpaid family workers, who help out when needed during the harvest or other busy seasons on the family farm. Other fields offering many opportunities for part-time employment of women include sales, clerical, and food service work. The professions which lead in this regard are teaching, nursing, and social work.

Many business firms and community agencies have long employed part-time workers, and the number doing so has probably increased during the past decade. However, in most industries there are still large numbers of employers who do not consider it efficient to use part-time workers. And even the most favorable employer is likely to expect the part-timer to be a trained and experienced worker, since it would not be worthwhile to invest much time or money in her training.

Thus, the search for a part-time job outside farm and private household work may not be an easy one. But women who have succeeded in finding such positions generally consider them "worthwhile." They approve

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the part-time employment system because it meets their needs for supplemental income, outside interests, and a chance to use their skills and abilities, within a time schedule suited to the demands of their home life.

Women's Incomes and Control of Wealth

In view of the great number of women who are workers, it goes without saying that many have incomes of their own. Actually, about 44 per cent of all women, or a total of over 25 million, have some money income. Two-thirds of these women derive all their income from wages and salaries earned by their own efforts. The other third get all or part of it from business ventures or sources such as stocks, annuities, and real estate.

Although women's incomes are usually of great importance to their family's standard of living or their own support, the total amount of money received is relatively small in most cases. Close to half the women with incomes of their own received less than \$1,000 during 1951, whereas fewer than one out of five men received as little as this. An income of \$4,000 or over was a rare good fortune among women—enjoyed by only one out of every 40 with any income, compared with one out of four men.

The picture with regard to women's savings and investments is similar. Many have some property of this sort, but few have a large amount. Furthermore, women's holdings are generally smaller than those of men. Let us look at a few figures on this subject.

Close to two-thirds of all women and girls in the United States have life insurance (paid for by them-

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selves or their families), one-third have savings accounts, and over one-fourth own U. S. Government "E" Bonds. Table 1 shows how many persons of both sexes have these and several other types of investments.

Table 1. Ownership of nine forms of investments,

January-February 1952

Type of investment	Male owners		Female owners	
	Number	Percent of all males	Number	Percent of all females
Life insurance	54,360,000	70.7	49,980,000	63.6
Savings accounts	26,420,000	34.4	26,430,000	33.6
U. S. Series "E" bonds	22,060,000	28.7	21,130,000	26.9
Annuities and pensions	9,150,000	28.7	5,010,000	6.4
Publicly owned stocks	3,260,000	4.2	3,230,000	4.1
Other government bonds	1,760,000	2.3	1,960,000	2.5
Privately held stocks	1,880,000	2.4	1,140,000	1.5
Real estate mortgages and bonds	1,030,000	1.3	850,000	1.1
Corporate bonds	440,000	0.6	350,000	0.4
One or more of the nine forms of investments	61,560,000	80.1	61,200,000	77.8

Source: Kimmel, Lewis H., *Share Ownership in the United States*, p. 120.

Nearly as large a proportion of women (78 per cent) as of men (80 per cent) have one or more of the nine forms of investments listed in the table. However, women are outnumbered by men as owners of each of these types of investments except government bonds—showing that fewer women than men have holdings of several types.

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People can, of course, invest their savings in other ways besides those listed in the table. In particular, they can put money in a small business which is not incorporated and therefore does not have stock. Many women have money invested in such enterprises. However, small business is a field in which men undoubtedly predominate, both as investors and as managers.

What share do women have in the ownership of corporations—which include all the large companies in the country and do by far the greatest part of the nation's business? The figures in table 1 show that several million women own stock and so have a claim on some fraction, large or infinitesimal, of the assets of a corporation. To answer the question fully, however, one must know the size of their stockholdings and what proportion these holdings represent of all outstanding shares of stock. The figures available on this subject include only "publicly-owned stocks," which can be bought and sold freely; they exclude shares in "family companies" or other concerns where there are agreements restricting the sale of stock. Even with this omission, the totals are tremendous.

About 3.2 million women own some 1,300 million shares of stock and are joint owners with their husbands or other male relatives of another 360 million shares. Men's holdings are even larger, however, and so are the combined holdings of the various other types of stockholders (trustees of estates and other trusts, institutions and foundations, brokers, and so forth). In consequence women's holdings amount to little more than one-fourth of all the outstanding shares of stock, and joint holdings by men and women to under 8 per cent.

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Obviously, the often-repeated story that "women control the wealth of the country" is not borne out by the facts. But just as plainly, women together possess a very large amount of wealth and have a corresponding obligation of stewardship.

Women as Consumers

Women's role as consumers is all too often taken for granted. It has probably occurred to very few women that, when they develop budgets to guide their spending and make purchases for themselves and their families, their decisions influence the course of business as well as their family life. The power of this influence is suggested by an economist's description of consumers as the "economic electorate," whose dollar votes determine the fortunes of a large segment of American industry.

The control women have over the use of money extends beyond their own funds, because of the part wives play in the disposition of the entire family income. In consultation with their husbands, they have to answer that most basic of all questions with regard to the use of income—how much to spend, to save, to give away. They also have to solve the equally difficult and related problem of how much money to devote to each of the major types of expenditures—food, housing, clothing, education, and so forth.

Christian teachings with regard to the use of wealth, from the Bible and by church leaders, are presented elsewhere in this book. They are the frame of reference against which Christians evaluate their decisions as to spending, saving, and giving.

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A very different kind of help in planning expenditures can be obtained from the many publications on family budgets. But no amount of expert assistance can eliminate the task, faced by every family, of so allocating their expenditures as to best meet their individual needs and fulfill their responsibility of stewardship. Since we are not concerned here with the techniques of budgeting, let us leave this complicated subject after this mention and go on to consider women's role in the purchasing of goods.

Women's share in buying is obviously large—though not as large as is suggested by some legendary figures which have gone the rounds for years. The most reliable source of information on this subject is a survey by a professor of marketing at the University of Illinois. He asked students at several universities in different parts of the country to report on the purchasing habits of their families. Their replies indicated that women were making about 55 per cent of the purchases of goods used by American families (measured in 1948 prices); men, about 30 per cent; men and women shopping together, about 11 per cent; and children, the remaining 4 per cent. Women made a high proportion of all purchases of such articles as women's and girls' clothing, draperies, and kitchen wares, and they bought about two-thirds of the groceries. Men were, however, the major purchasers not only of their own clothing but also of some other important items such as automobiles and gas and oil.

On the assumption that families in this survey were roughly representative of all American households, it

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was estimated that women's purchases totaled about \$69 billion in 1948; that men's buying amounted to nearly \$38 billion; that men and women together spent about \$14 billion; and that children expended approximately \$5 billion. Since personal consumption expenditures have risen sharply since 1948, the figures would today be much higher than this.

These tremendous figures on expenditures are sobering, when one thinks how casually much personal buying is done. Economists have dubbed consumer purchasing a "backward art." As one of them says: "A corporation buying a great quantity of a commodity tests it carefully for quality and makes sure that it is bought from the cheapest source. Not so the average consumer, who is an amateur when it comes to spending money."

Why has so little progress in methods of buying been made by consumers? The answer is, of course, that it is very difficult for an individual to evaluate accurately the relative quality of different brands of canned goods and radios and men's shirts and socks, or for a busy woman even to do enough comparative shopping to know how prices for the same product compare in different stores in her community. Women anxious to improve their buying techniques and thus make the family income stretch further will find various consumers' organizations a help.

Another aspect of consumption about which women have had concern for many years is the conditions under which the goods they buy are produced. The responsibility felt by women consumers for conditions of employment found expression in the organization, in 1899, of

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the National Consumers' League. In its early days, the league was one of the most active forces working for the elimination of sweatshops and child labor. Some branches of the league also published "Candy White Lists," giving the names of candy manufacturers which had fair and sanitary employment conditions.

Because of the enactment of federal and state minimum-wage, maximum-hour, and child-labor laws and the growth of trade unions, sweatshops and child labor are things of the past in most of American industry. However, women are still working through the league to improve the lot of some groups of workers. A group about whom they are now specially concerned are the migratory farm workers, whose wages are frequently low and living conditions unsatisfactory and whose children are often deprived of the educational opportunities considered the birthright of American children.

The fact that some workers who help to produce our food still live under such conditions is properly of concern to Christian women. Of more immediate importance to most women, however, are the questions mentioned earlier in this section—how to apportion one's income between spending, saving, and giving and how to direct one's spending so as to best serve the family welfare. "To the woman of conscience and insight, the ends of living are part of the problem of spending money; in fact they are the most baffling and inspiring part. There must be a scheme of values embodied in every housewife's work. The spending of money affects for good or ill the health, tastes, and character of all members of the household."

WOMEN AND WEALTH

Footnotes

1. The author gratefully acknowledges the generous assistance received from the Women's Bureau of the U. S. Department of Labor in connection with the preparation of this chapter. Women interested in obtaining more information on the subjects discussed, and especially on women's work and income, can do so by writing to the Women's Bureau, U. S. Department of Labor, Washington 25, D. C.
2. The figures on employment and income in this article are the latest available from the U. S. Department of Commerce, Bureau of the Census. In general, they refer to April 1953, unless otherwise indicated. However, the data on the number of women workers in different industries are as of April 1952, and those on part-time employment are as of 1950 and 1951. All women and girls aged 14 and over are included in the figures. These and other Census data relating to women workers are summarized in U. S. Department of Labor, Women's Bureau, *Women as Workers: A Statistical Guide*. (Washington, D. C.: U. S. Government Printing Office; 1953)

Questions To Be Considered While Reading Women and Wealth

1. What percentage of the nation's employed workers are women?
2. Do all employed women create material well-being of the country?

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3. What responsibility does the Christian employed woman have to employers, co-workers, customers?
4. Why do most married women work?
5. What factors should decide whether a mother should work or not?
6. Is the saying "women control the wealth of the country" borne out by the facts?
7. How does making a budget influence the course of business?
8. Is woman's share in buying as large as is usually believed?
9. Why has so little progress in buying been made by consumers?
10. Does the spending of money have anything to do with the moral tone of a household?

AMERICAN ECONOMIC FOREIGN POLICY

By JAMES D. CALDERWOOD

The present world situation is a complex one. Men and women everywhere long for a world in which the fear of war will be removed, and in which man's energies can be devoted to measures designed to promote his material and spiritual welfare instead of to preparations for war. In this complex world the overwhelming influence exerted by the United States is one of the dominant facts requiring the careful attention of all thinking citizens. Consideration of U. S. economic foreign policy in particular leads directly into issues of great significance for America and the world, and an inescapable responsibility rests upon citizens to face the complex issues involved and seek constructive solutions.

America and the World Economy

At the outset it is important to emphasize two things which are of fundamental significance today but which are not always appreciated by the average American. One is the extent to which the economic well-being of the United States is dependent on what goes on in other parts of the world. The other is the tremendous influence which the United States exerts on the rest of the world through the sheer weight of its economic power. The importance of international trade and finance to the United States can best be understood by considering the significance of exports and imports. The influence of the United States on the rest of the world is exerted principally through the medium of three economic policies, viz:

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(a) through its policy with respect to the domestic level of income and employment, (b) through its policies with respect to foreign investment and foreign aid, and (c) through its commercial policy.

The Importance of World Trade to the U. S.

Exports. The importance of exports to the American economy is often overlooked by those who note that "only six per cent" of our total output of goods and services is exported in a particular year. The conclusion is sometimes drawn from this figure that foreign markets are of relatively minor importance and that, if necessary, perhaps those exports could be absorbed at home. The fallacy of this reasoning is to be found, of course, in the fact that much of our productive activity, e. g., the building of homes and the performance of services, is of primarily domestic significance and that for those industries who do sell abroad foreign markets are often of vital importance, absorbing sizable percentages of total output.

The two areas of economic activity for whom foreign markets are of the greatest importance are agriculture and our mass production industries. Much of American agriculture is geared to selling abroad. If for any reason exports decline, a problem of surpluses is sure to develop. The experiences of the 1930's, when the loss of foreign markets combined with a decline in domestic income reduced demand for farm products to abnormally low levels, are still remembered by the nation's farmers. Exports are also important to many of the nation's industries for it is in the field of efficient industrial output that the United States enjoys the greatest competi-

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tive advantage vis-a-vis other countries. A loss of foreign markets can mean unemployment for many of the workers in these industries and declining profits for their owners.

The importance of foreign markets is not limited, however, to those U. S. exporters who sell directly in them. Through the so-called "multiplier" principle the effects of an increase or decrease in foreign sales are felt in a cumulative fashion throughout the economy by millions of persons who have no direct connection with foreign trade but whose jobs and businesses are affected by changes in the incomes of those who are directly engaged in export industries. It is clear then that the domestic prosperity and welfare of the citizens of the United States are closely linked with thriving foreign markets. The United States has a real interest, therefore, in a prosperous world whose citizens have rising purchasing power with which to buy our goods.

The Significance of Imports

Many citizens who recognize the importance of exports are less able to appreciate the significance of imports into the United States. This is perhaps because most Americans have been taught from childhood that this country is a land of abundance with virtually limitless resources. They therefore assume that we can satisfy all or most of our needs domestically. Of course, the United States is rich in resources but this does not mean that imports are not important. =

- America's huge industrial machine is hungry for raw materials, many of which we either do not have at all within our borders, e. g., tin and nickel, or produce in

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insufficient quantities to satisfy our domestic needs, e. g., copper, wool, bauxite (for aluminum). In 1951, 54 per cent of American imports consisted of crude or semi-manufactured materials for use by American industry. In addition to these necessary raw materials for industry, the maintenance of the American consumer's high living standards requires that large quantities of tropical and semi-tropical products be imported, including coffee, tea, and bananas.

Imports are also important because our payments for them mean that we are supplying foreign countries with money which they can then use to buy goods from each other and from us. Trade is a two-way proposition in the sense that we cannot expect to go on selling unless we are also willing to buy,—unless, that is, we are prepared to continue giving our goods away via lend-lease programs, Marshall Plans, etc., as we have in recent years. Trade between countries should be as healthy and normal a state of affairs as trade between California and Ohio. In both interstate and international trade human and natural resources can be used in the most efficient way and American consumers and businesses can get the benefit of lower foreign prices for some products just as foreign consumers and businesses can get the benefit of lower American prices for other products. If we try to produce at home what can be produced more cheaply abroad, then we are not utilizing our resources in the most efficient way and the consumer will pay a higher price and probably receive fewer goods as a result.

Still keeping in mind that the purchase of imports means supplying dollars to foreign countries, it may be

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seen also that there is a close relation between the status of the United States as a creditor and the volume of our imports. Foreign debtors can only obtain dollars to make interest and dividend payments on our loans to them, and can only repay the principal itself, if they can earn dollars by selling us goods and services. Many of the foreign investments made by Americans in the 1920's went sour in the 1930's because the debtors were unable to earn the dollars with which to make the payments.

In summary, it might be said that world prosperity, like world peace, is indivisible and, in the long-run, the United States can enjoy neither material well-being nor moral peace of mind unless the other peoples of the world are on their way to achieving these things too.

The Influence of the U. S. on the Rest of the World.

The Domestic Level of Income and Employment. The United States, with only 6 per cent of the world's population, produces almost half of the world's manufactured goods. American industry, hungry for raw materials, and the American consumer, who demands a great variety of goods as part of his high living standard, together were responsible for the United States buying over \$11 billion of imported goods in 1951 or 15 per cent of total world imports. The United States is, therefore the world's greatest market for other countries' exports. Thus the prosperity of many countries depends on their ability to sell in the American market—and on our ability and willingness to buy. And, in some economically underdeveloped countries, prosperity and political stability go together, so the burden of responsibility on the United States is particularly great.

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What is the relation between the level of income and employment in the United States and the prosperity, or absence of it, of other countries? While, in the long-run, the American economy has experienced a growth and expansion which have made its living standards the envy of the world, the record with respect to stability in the short-run has been less satisfactory. We have had depressions and we have had periods of inflation for as long as most of us can remember. The domestic implications of these fluctuations in the level of income and employment are obvious. What is less understood is the fact that the United States "exports" her booms and her "busts" to the rest of the world through variations in her rate of imports.

A decline in economic activity in the United States is transmitted quickly to other countries via a reduction in the volume of our imports and a consequent reduction in our supply of dollars to other countries. These countries will then not only experience a decline in their own income and employment but are also likely to develop a "dollar shortage" and be forced into restricting their imports. Even relatively mild declines in economic activity in the United States, such as the "recession" of 1949, can have a serious effect on the economies of other countries, since the "income elasticity of demand" for imports in the United States is rather high. (This means that a given change in the national income up or down will result in a rather large change in imports).

On the other hand, inflation can also be "exported" from the United States. The great increase in economic activity in the United States following the outbreak of the Korean War because of the defense program caused

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a great increase in the American demand for raw materials all over the world and forced their prices up to high levels, thus inducing inflationary pressures in many other countries.

Thus fluctuations in the level of income and employment in the United States constitute perhaps the greatest single influence exerted by this country on the prosperity and stability of the rest of the world, and the formulation of a successful policy designed to stabilize economic activity at high levels would be one of the greatest contributions this nation could make to the cause of expanding world trade.

U. S. Foreign Investment and Aid Programs

A second way in which American policy affects the rest of the world is through the investments made by American citizens and business in foreign countries and through the aid programs carried out by the United States Government. The former has been important since World War I; the latter has been significant mainly since World War II.

International investment has always played a significant role in the world economy. During the 19th century capital flowed from advanced industrial and commercial countries like Britain and the Netherlands into the less developed areas of the world. Foreign capital helped develop American industry, railroads, mines, etc. Today the United States is in a position to supply capital to those areas that need it and such lending can be as economically beneficial to both lenders and borrowers as it was in the 19th century.

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From a monetary viewpoint the flow of American capital abroad has been at times a significant source of supply of dollars for the borrowing countries. This was particularly so during the 1920's. On the other hand, the virtual cessation of American lending during the depression of the 1930's had a most serious effect on the economies of many countries which had become accustomed to a regular flow of dollars from American investors. The drastic fall in dollar receipts helped create balance of payments difficulties which forced many of the borrowing countries to default on their debts and to impose exchange control and drastic restrictions on imports. In recent years the volume of private investment by Americans abroad has been relatively low when the increase in the dollar value of the nation's trade is considered and in comparison with the foreign aid granted by the government.

Quite apart from monetary considerations, U. S. foreign investment is important because large areas of the world are deficient in capital and, because of the low level of income and the absence of appropriate financial institutions, are unable to accumulate enough through domestic saving to make much economic progress. An increasing capital supply is a basic prerequisite for an expansion of production and the United States is in a position to promote this, thus furthering the welfare of millions of people all over the world, including the American people.

American foreign aid programs have been important primarily since World War II. Since 1945 the United States has provided net foreign aid to the rest of the world in the form of grants and credits amounting to al-

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most \$40 billion through such programs as UNRRA, the Marshall Plan, military assistance to our NATO allies, etc. The significance of this hardly needs emphasizing. It has promoted the recovery of war-shattered economies, helped arm our allies, and provided the people of underdeveloped areas with the knowledge and tools for improving their lot. The scope and influence of American aid programs since the war are so vast that all one can say is that the whole structure of economic and political life in virtually every part of the Non-Soviet world has been fundamentally influenced.

U. S. Commercial Policies

The third medium through which the economic influence of the United States is exerted on the rest of the world is our commercial policy,—that is, the policy pursued by the government toward exports and imports (particularly toward import restrictions) and with respect to the structure and organization of world trade in general.

If the United States adopts a restrictionist policy with respect to imports, it makes it difficult for other countries to earn dollars by selling in the American market. Their ability both to pay their debts to us and to buy our goods is then affected and the likelihood of their needing our direct aid is increased. This unfortunately was what the United States did do under the Fordney-McCumber and Hawley-Smoot Tariff Acts of 1922 and 1930. If, on the other hand, the United States keeps import restrictions to a minimum and welcomes foreign goods and services into its huge domestic market, then world trade is encouraged, debts can be paid more eas-

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ily, other nations are not forced into restrictive commercial policies of their own, and the current objective of "trade, not aid" brought closer to realization.

MAJOR U. S. POLICIES AND PROGRAMS

We must now consider some of the important economic policy issues confronting the United States at the present time. All are complex and only a few can be touched on here. In most cases they are likely to persist for an indefinite period of time. It is important to realize that no final "solutions" are available for these problems. It is rather a question of increasing our knowledge of them and learning to handle them on a continuing basis with a greater sense of responsibility and understanding. The formulation of a "national" policy with respect to such matters as imports, foreign aid, etc., is often difficult because of the conflicting interests within the country. Presumably the best one can hope for is that compromises will be worked out and that the resultant "national" policy, while not entirely satisfactory to everybody, will at least promote the "greatest good for the greatest number."

Each citizen has the personal responsibility of considering these important matters, for in a democracy any government policy should be the reflection of the wishes of the citizens of the nation. We talk loosely of "American policy" but we cannot in this way absolve ourselves from personal responsibility. In the final analysis, decisions are not made by some abstraction called the "state" or the "government." They are made by individuals and must emerge from the minds and from the hearts of all of us. They must in short have a moral origin.

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The Maintenance of a High Level of Income and Employment

The effects of changes in the level of income and employment in the United States on the rest of the world have already been discussed. It need only be repeated here that the maintenance of prosperity and steady growth in the United States would be one of the greatest contributions to world stability that we could make. A survey of literature and opinion abroad reveals that many responsible persons there are extremely fearful of an economic slump in the United States when defense spending levels off. This fear of other nations as to the international consequences of economic fluctuations in the United States is likely to encourage the growth of trade controls and discriminatory practices abroad as foreign nations seek to insulate themselves from the United States.

On the other hand, the extent of the revolution in public thinking and policy in the United States during the past twenty-five years is not always realized abroad. The passage by Congress of the Employment Act of 1946 was historic as an expression of the determination of the American people to seek to become masters of their economic destinies and never again go through the agonies of the 1930's, and of their belief that, by "looking ahead" and planning, a high level of income and employment can be maintained within the framework of democratic procedures and a modified free enterprise system. The American economy does not need to fear peace. We do not need war to create full employment, and we have at our disposal today knowledge and tools

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of policy that should make us much more optimistic about the future stability of the economy.

Perhaps the fundamental issue is this: we can be reasonably sure of not having another 1933 but we cannot be sure of not having another 1949. Since even the 1949 recession had serious consequences abroad, we must presumably be willing to consider some kind of action designed to offset the consequence of such events.

Accepting More Imports

More and more thoughtful persons are concluding that, in the light of both short-run and long-run American objectives, a greater receptivity toward imports on the part of the United States would be an important contribution toward the solution of some of the world's problems. There are several reasons for this belief. First, as a creditor country, we expect to receive interest and dividend payments on our foreign investments and ultimately to be repaid the principal. This can only be done if foreign countries can sell their goods to us to earn dollars.

Second, our foreign aid and assistance programs are designed to promote increased production in the recipient countries so that they can ultimately pay their own way in the world and thus relieve the American taxpayer of the burden of supporting them. Such an objective can only be achieved if other countries are able to sell what they produce and thus earn dollars. This is the meaning of the "trade, not aid" slogan.

Third, the United States wishes to sell its exports abroad and it cannot do this unless other nations are able to earn the means of payment by selling to us. In

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addition, the American consumer can benefit from receiving imported goods and services which are either more expensive, available in insufficient quantities, or not available at all in this country.

In order to encourage the entry of more imports into the United States, a number of steps might be taken. The Reciprocal Trade Agreement Program, which permits the President to lower the tariff when making trade agreements with other countries, should be put on a permanent basis. The so-called "escape clause," which permits tariff reductions so granted to be negated if foreign competition becomes too strong as a result and which creates great uncertainty in the minds of foreign traders, should be eliminated. The whole tariff structure should be overhauled and legislation passed to simplify import procedures and eliminate much of the red tape which at present is almost as much of an obstacle to imports as the duties themselves. It might be desirable indeed for Congress to pass legislation permitting unilateral tariff reductions by the United States. A detailed study should be made of agricultural protectionism, particularly of quotas and embargoes, and we should face up to the fact that we cannot indefinitely hamper the development of our foreign trade in order to maintain an uneconomic pattern of agricultural production and level of farm prices as we are doing now through our present farm price-support program.

No one can deny that accepting more imports will require certain adjustments in the form of labor displaced, of businesses forced to restrict operations, and of farmers forced to transfer resources into different lines of production. But these adjustments, if handled carefully, are

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not likely to be nearly as serious as the ones we will have to make if a continued unwillingness to accept more imports results in reduced exports and a loss of foreign investments. Nor are the adjustments likely to be nearly as great as the ones we make all the time domestically in our dynamic economy as a result of the growth of new industries, shifts in consumers' taste, technological change, etc. The only possible trade policy we can pursue is one that keeps in mind the overall interests of the nation as a whole rather than of a multitude of special local interests.

The Revival of Long-Term Investment

The revival of a healthy flow of private investment funds in the world is one of the important objectives of the United States at the present time. Although capital is available in the United States and needed abroad, yet the actual flow has been small. The principal problem here is something over which the United States has little control, namely what may be called the political, social and economic climate in the countries that are potential borrowers.

Private capital will not flow abroad unless the lenders have that intangible thing called "confidence,"—confidence that their property will not be expropriated or interests will be respected by, and not subjected to the nationalized or destroyed by war; confidence that their interference of, foreign governments through confiscatory taxation, arbitrary and complicated regulations; confidence that they will not only have a chance to earn a reasonable profit but also be able to convert their earnings into dollars. In the 19th century the "atmos-

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phere" was right for international investment in this respect. Today it is not. Most serious of all is surely the fact that it is in those very areas which most need capital, the Middle East, Asia, and Latin America, — that the flames of extreme nationalism are burning the brightest.

We may conclude, therefore, that the revival of private investment faces great difficulties and that the greatest stimulus to it would be something which appears to be extremely unlikely in the foreseeable future,—the reappearance of peace and stability in the world. In the meantime, therefore, the United States should give full support to the International Bank for Reconstruction and Development, one of the specialized agencies of the United Nations, which is having a considerable measure of success in channeling capital provided by member countries to those areas that need it. The United States should also continue to use the Export-Import Bank of Washington as a medium for making governmental loans to other nations.

Foreign Aid and Technical Assistance

Probably no single problem of U. S. foreign economic policy receives such wide publicity today as does that of the nation's foreign aid program. There was widespread and bi-partisan support for foreign aid immediately after the war when it was clear that such aid was necessary to restore some kind of economic health and political stability to the world. More recently there has been a growing impatience at the continuation of such programs eight years after the end of World War II. Congress, in particular, seeking a way of cutting government spending, lowering taxes, and "doing something" about the na-

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tional debt, has been scrutinizing these expenditures and sharpening its economy knives. Two important questions facing the American people are: Are the economic and political benefits derived from these aid programs commensurate with the cost of them? How much longer and on what scale should they be continued?

Current aid and assistance programs are of four major types. There is, first, military aid, primarily though not exclusively provided to our Western European partners in the North Atlantic Treaty Organization. Second, there is economic aid, which is distributed more widely and which is designed to help countries become more productive, alleviate their balance of payments difficulties, and in general meet the problems generated by World War II and their participation in current organized security efforts. Thirdly, there is relief aid, which is of an emergency nature as in Korea today. Finally, there is the program of giving technical assistance, popularly known as the "Point Four" program. In recent years, military aid has increased at the expense of economic. Technical assistance has remained a small part of the total.

The extent of the military aid to be given our allies and the length of time it should continue is not a problem of foreign economic policy. It can only be decided with reference to overall strategic objectives in the "cold war" and the evaluation by our government of the international situation. Our level of expenditures in this respect is determined by non-economic considerations.

Economic aid is more controversial. With regard to its results, the American taxpayer can in general feel that his dollars have been used well. He has made an

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investment in recovery and stability which has certainly paid dividends in terms of expanding production and trade and he has done it at relatively low cost to himself. The \$4½ billion spent on foreign aid during 1951, for example, would have paid for a little over two weeks of war at the peak rate of spending in 1944-45. The "cost" of economic aid, indeed of all aid, cannot be gauged simply in terms of the dollars spent. It can be gauged more accurately if we consider what we get in return and also what would be the alternative cost of *not* giving such aid. If we gain strong allies and preserve world peace, the dollar cost of foreign aid will seem small indeed in comparison. The alternative cost — of not giving aid—might well be at atomic war!

A relatively small amount of money has been spent by the United States on technical assistance to underdeveloped countries, some of it directly by the State Department's Technical Cooperation Administration (Point Four) and some of it indirectly through U. S. contributions to various United Nations activities. Yet this program is potentially the most significant in the world. The objective is to wage war on poverty, ignorance, and disease by making available to less developed countries the technical knowledge and "know-how" of advanced countries. Technical assistance does not mean pouring in millions of dollars and providing people with complicated capital equipment. It means sending doctors and nurses, agronomists, sanitary and civil engineers, elementary educators, statisticians, and other technical experts to help people to make better use of the resources already at their disposal.

The implications of this program are tremendous. As

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Christians, we can hardly ignore the indescribable wretchedness and misery of so many of our fellow human beings. From an economic viewpoint, their low level of productivity is a drag on the economic progress of the world. Politically, the fate of the free world may well be decided by the way in which these hundreds of millions of persons — the "uncommitted world" as Adlai Stevenson has called them — who are becoming ever more conscious of their lot and ever more determined to improve it, swing in their political allegiance. This program is in effect an investment in human freedom and opportunity, in economic progress, and in peace. American participation in it should certainly be expanded.

Conclusion

In this brief chapter it has been possibly only to touch on some of the more important aspects of United States economic foreign policy. It is perhaps advisable to close on this note: There are no simple solutions to the problems that confront us and the important thing is, therefore, to emphasize methods of cooperation and the development in the minds of men of the spirit of goodwill and Christian charity which can alone in the long-run give us progress in human affairs.

Questions To Be Considered While Reading American Economic Foreign Policy

1. Can most exports be absorbed at home?
2. How does a slump in world trade affect the farmer?
3. Can you trace how a decline in foreign trade can affect you?

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4. Can the United States satisfy its domestic needs locally?
5. Why is trade important to the U. S. beyond satisfying local needs?
6. Has the ability of debtor nations to earn dollars any relation to peace?
7. Why does the prosperity of many countries depend on the United States' willingness to buy abroad?
8. Does the United States export her depressions—her "booms?"
9. Why are private foreign investments of United States citizens important?
10. Have United States foreign aid programs been effective?
11. How can "trade not aid" be brought to realization?
12. Do we need the threat of war to create full employment?
13. What are the questions the American people should ask concerning the foreign aid program?
14. For how many weeks of war would the money spent for foreign aid in 1951 pay?
15. What is the most potentially significant aid program in the world?

THE CHRISTIAN BASES OF WORLD ORDER

By WALTER W. VAN KIRK

Christians believe in the fatherhood of God. They believe in the brotherhood of man. They believe that God made of one blood all races and nations. They believe that all men are born in the image of God and endowed with rights and freedoms that must be acknowledged and safeguarded by secular society. They believe that God's purpose for the world was made fully known in Jesus Christ. They believe that in the teachings of the Son of God there can be found the way toward international concord and reconciliation. They believe that God is the Lord of history; that his purpose for the world cannot be contravened by the machinations of evil men. They believe that moral law undergirds the world; that the dangers by which man is imperiled are a by-product of his disobedience to God's holy will.

From this faith Christians derive the principles which they believe are essential to the establishment of a just and durable peace. Three of these principles are dealt with here. They are:

Christians believe that the universality implicit in their faith calls for a true community of nations.

Christians believe that international cooperation in economic and social endeavors is the indispensable condition to the achievement of a world at peace with itself.

Christians believe that the dignity of man reflected in the New Testament calls for the recognition and safeguarding of man's rights and freedoms under the law of nations.

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If these principles are to be transformed into policies, Christians will have to bestir themselves. They can do this in the knowledge that the gospel of Jesus Christ is relevant to the social and political order. Since this is so, and few will deny that it is, Christians must translate their resolutions into action. No amount of pious resolving by church assemblies will suffice to remove the obstacles to peace. Christians must leave their ivory towers and get down into the arena where races and nations are in conflict. They must seek to influence public opinion in support of those policies that are consistent with their principles. What specifically, in the light of the three principles here set forth, should Christians in the United States be doing to advance the cause of world order? It will be remembered of course, that no humanly-established institution can fully reflect the mind of Christ; that no policy or program of this or that nation can do any more than to approximate the Christian ideal.

A True Community of Nations

First: Christians believe that the universality implicit in their faith calls for a true community of nations.

Christians cannot accept, as inevitable or desirable, an international society in which each sovereign state strives for political, economic, or military mastery. They believe that the New Testament principle of cooperation and mutuality, when embodied in the policies and practices of nations, can go a long way toward putting an end to the prevailing international disorder. Accordingly, American Christians, for the most part, support the United Nations. They see in this organization an

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instrument through which the member states can collaborate in their search for world order.

The manner in which the United Nations has facilitated political co-operation on a global scale is fairly well known. The U. N. was instrumental in stopping wars in Palestine, Indonesia, and Kashmir. The U. N. was helpful in lifting the Berlin blockade, in easing the tension occasioned by the presence of Soviet troops in Iran, and in removing the threat of Soviet pressure in the Balkans. None can deny that but for the United Nations the whole of Korea would have fallen victim to Soviet aggression. True, the U. N. has not bridged the political impasse between the Soviet Union and the United States. Nor has the U. N. achieved that degree of political understanding between the Great Powers that would warrant a reduction of world armaments. Failure at these points is not to be attributed to the structure of the United Nations. What is lacking is the spirit of reconciliation and goodwill. But the likelihood of engendering such a spirit is enhanced as long as representatives of sovereign governments sit around the U. N. conference table. One has only to consider what the situation would be if the U. N. were to fall apart! It is far better to argue differences face to face than to hurl invectives across international boundaries.

Despite its many achievements on the political front, the United Nations is fighting for its very life. This is due, only in part, to Soviet obstructionism. There must also be taken into account the rise of an irresponsible go-it-alone nationalism. In certain circles in our country, there is talk about building a wall of bayonets around the Western Hemisphere. Behind this wall, it is argued,

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the United States can withdraw and there enjoy its own peace and prosperity. The argument runs something like this: If Europe lacks the strength or the will to save itself, then let Europe be written off. If Asia is foolish enough to be taken over by the Communists, so let it be. But for ourselves, we will wait behind the ramparts of the Western Hemisphere and if our enemies attack us we will push them into the sea. This is a monstrous doctrine and one wholly at variance with the Christian doctrine of mutuality. In other circles there is talk about the United States' withdrawing from the United Nations and setting up a rival organization of freedom-loving states in opposition to the Soviet bloc. It would be difficult to conceive a course of action fraught with greater peril to the United States. Christians must set themselves against this trend toward international anarchy. They must assert anew their support of the United Nations.

An Indispensable Condition of World Peace

Second: Christians believe that international cooperation in economic and social endeavors is the indispensable condition to the achievement of a world at peace with itself.

In its economic actions the United Nations is less well known. Yet it is precisely in this area that the peace may be won or lost. And it is in this area that the United States can most effectively contribute to its own security and to the well-being of the entire world.

That the United States cannot live in economic isolation is a fact highlighted by the tensions of recent years. Since World War II our nation has spent nearly 30 billion dollars in economic and military assistance in Eu-

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rope. Additional billions of dollars for a like purpose have been expended in Asia and Latin America. It is utterly ridiculous and exceedingly shortsighted to regard this aid as a give-away program. But for the Marshall Plan and subsequent policies of economic assistance, Europe might have been completely dominated by the Kremlin. In such an event the future of the United States, and of the free world, would have been dark indeed. Yet despite American aid, without precedent in history, international economic stability has not been achieved. The reason? High tariffs. Embargoes. Quotas. Currency wars. These and other economic walls of partition keep the world of nations in turmoil. The answer? Removal of artificial trade barriers and the promotion of economic intercourse between nations large and small.

The United States is dependent upon international trade for many of the commodities essential to its own survival. Irresponsible chatter about the vast wealth of the United States has blinded many of our people to the fact that but for such imports as tin, rubber, chromite, nickel, manganese, antimony, bauxite, tungsten, and mercury, our industrial production and the stockpiling of strategic materials indispensable to our security would be adversely affected. Conversely, if other nations are to achieve a standard of living that will render them immune to hostile penetration from without, they must be enabled to do business with the United States.

The United Nations has wrought valiantly in the effort to unravel the tangled skein of international trade. The bearing of economic interdependence to the quest for world order is made clear in the charter. It is there stated that the promotion of "conditions of economic

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and social progress and development" is a matter of concern to all nations. It is recognized that the United Nations has the responsibility of encouraging member states to take "joint and separate action" looking toward economic cooperation on a global scale. It has set up Economic Commissioners for Europe, Asia and the Far East, and Latin America. These commissions are engaged in a continuing study of ways and means to facilitate economic intercourse. Under the auspices of the United Nations, a considerable number of members, including the United States negotiated the General Agreement on Tariffs and Trade by which their trade barriers were moderately lowered. Many agencies related to the U. N., such as the International Bank for Reconstruction and Development, the International Labor Organization, and the International Monetary Fund, provide opportunity for member states to deal with economic issues in the perspective of the world community.

"Separate Action" Desirable

Beyond these joint endeavors, the Charter of the United Nations recognizes the need of separate action by individual governments to develop a healthy and expanding economy and thereby strengthen the bonds of international friendship. Of what should this separate action by the United States consist? The Reciprocal Trade Agreements program should be continued indefinitely. Under this legislation the United States seeks to practice the principle of reciprocity in trade relations. Under this legislation the danger of arbitrary action by Congress in jacking up tariff barriers is eliminated. The principle of live and let live is affirmed, and impartiality in

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our foreign economic policies is assured. There should be a further simplification of import controls and of customs legislation. All "Buy American" legislation should be repealed. However much this slogan may appeal to the unrepentant economic isolationist, it is madness to believe that "Buy American" is an adequate economic philosophy for the most powerful creditor nation in the world.

Christians should encourage full-scale participation by the United States in the United Nations Program of Technical Assistance. The purpose of this program is to achieve a higher standard of living for the peoples of the underdeveloped areas. In his report to the 1953 General Assembly, the Secretary-General of the U. N., Dag Hammarskjöld, said: "Of the multitude of United Nations programs in the economic and social field in which the governments of members have joined their efforts for their common benefit, none is more significant or less costly in the building of a better world community than the sharing of skills now universally known as technical assistance."

How true this is! More than half the world's population has an annual income of less than one hundred dollars. This is poverty in the raw. It is in these areas of want and deprivation where communism is forging ahead. Not that these poverty-stricken people want communism. They don't. Nor does it follow that they want democracy as the West understands that term. What these people want, and what they insist upon having, is an opportunity to help themselves. They don't want charity. They are proud, much too proud for economic handouts. If they are momentarily tempted to listen to

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Communist agitators who promise them a new earth of plenty, it is because they are disillusioned with their lot in life. In sheer desperation, and not by any process of reasoning or moral choice, they respond to those who hold before them hope of release from the bondage of ignorance, disease, and grinding poverty. If the only answer from the free world to the siren voice of the Kremlin propagandist is more battleships, more tanks and bayonets, more atomic and hydrogen bombs, the search for peace and world order may end in frustration, if not something far worse.

As if aware of the historic role it was destined to play in shaping the world of tomorrow the U. N., in 1947, sent twenty-four experts to nine countries, at their request, to advise on various economic and social problems. There was thus begun a humanitarian adventure that may prove to be one of the most creative and rewarding projects ever undertaken by the world community in the name of social justice and for the sake of peace on earth and goodwill toward men. Three years later, at Lake Success, representatives of 54 countries including the United States, pledged the equivalent of 20 million dollars to finance the U. N. technical assistance program. During 1952, technical assistance was given to as many as 71 countries and territories. By 1953 the total number of assisted countries and territories had risen to 97. The number of governments pledging contributions rose from 55 in 1950 to 65 in 1952. Experts of 64 nationalities made their way to foreign lands to give of their aid along the Jericho road of human distress. It has even happened that one beneficiary country, India, has herself contributed 84 experts for service abroad. Another,

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Egypt, has contributed 26 of her nationals to the international pool of experts.

Here are a few examples of how this technical assistance program is contributing to a larger life in larger freedom for the people of the underdeveloped areas: In Iran a team of water experts used aerial photography to locate 50 sites for wells. In Thailand farmers learned how to cultivate pineapples as a year-round export. In Saudi Arabia, after 3000 years of hand labor, the packaging of dates was put on an assembly line. In India the production of spinning and weaving mills was vastly increased. In Pakistan the output of an iron foundry was increased by 44 per cent. In Libya, a number of workers received basic training in clerical and administrative techniques. In Ethiopia many young men were given instruction as radio operators, others are now operating a network of meteorological observation stations. A penicillin factory is under construction in India, the first of its kind in the whole of Asia. Malaria is being combated in many Asiatic countries. In one district in Burma, for example, where one-third of the babies born before the campaign contracted malaria in their first year, no cases among young infants have since occurred, and there has been an 80 per cent reduction among older people.

A Program For World Order

Here is a program in support of world order to which Christians can give their unqualified endorsement. To the question as to how communism can best be contained, the U. N. has given a convincing answer. The mobilization of scientific and technical resources for the sole

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purpose of establishing conditions of living fit for humans will go far toward correcting the economic and social maladjustments upon which communism thrives. The participation of the United States in this curative endeavor has been, thus far, commendable. Our nation has contributed upwards to 60 per cent of the funds placed at the disposal of the U. N. Technical Assistance Administration. There is a real danger, however, that our cooperation in the future may be so curtailed as to jeopardize the continuance of many projects already begun, to say nothing of initiating new undertakings.

President Eisenhower, in 1953, requested \$12,750,000 for U. N. technical assistance for the following fiscal year. Congress cut the President's request by 25 per cent and appropriated only \$8,500,000, part of which had to be paid toward the United States pledge for 1953. And this is at a time when the Soviet Union, Czechoslovakia, and Poland, all Iron Curtain countries, indicated their purpose to participate in the program! From the outset these three countries had ignored requests for help. They charged that technical assistance was a form of Western imperialism. This propaganda backfired. They saw that of all the U. N. labors, it was the effort to help people combat poverty, disease, and illiteracy that had captivated the imagination of the world's underprivileged millions. Then they climbed aboard the technical assistance bandwagon, at the precise moment when the United States indicated a diminished interest in this undertaking. This is neither economy nor good statesmanship. The General Board of the National Council of Churches has expressed its regret that the United States, having encouraged the U. N. to move forward on this front

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had, by Congressional action, limited its participation in such a manner as to curtail drastically the future operations of this program. The hope was expressed that the United States would assure the U. N. that it is the intention of our government to cooperate in multilateral technical assistance on a scale commensurate with our resources and the concern of our people.

There is still another plan in the offing which, if it can be put into effect, will put communism everywhere on the defensive. This is the proposed Special United Nations Fund for Economic Development. The Christian community in the United States was thrilled when President Eisenhower, on April 16, 1953, said that the government of the United States "was ready to ask its people to join with all nations in devoting a substantial percentage of the savings which would be achieved (by internationally supervised world-wide disarmament) to a fund for world aid and reconstruction." Four months later the Economic and Social Council of the U. N., meeting in Geneva, Switzerland, adopted for reference to the General Assembly, the following resolution: "We, the member governments of the United Nations, in order to promote higher standards of living and conditions of economic and social progress and development, stand ready to ask our peoples, when sufficient progress has been made in internationally supervised world-wide disarmament, to devote a portion of the savings achieved through such disarmament to an international fund, within the framework of the United Nations, to assist development and reconstruction in underdeveloped countries." This proposal may well prove to be of historic importance to our own and other nations.

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Christians will find in it an added incentive to create a world public opinion in support of an acceptable and trustworthy system of armament control. If a substantial part of the billions of dollars currently expended on competitive armaments could be diverted to turning the wheels of industry and increasing the production of food, and enriching the social and cultural environment of the peoples of the world, the aspirations of Christians for a just and durable peace might be, in part, realized.

One of the most urgent issues related to international economic security is that of land reform. The U. N. General Assembly has taken official note of this matter. The U. N. cannot, of course, interfere in the domestic affairs of member states. It can, however, recommend policies. These recommendations, in turn, have the force of an enlightened world public opinion. The General Assembly, with the support of the United States delegation, has recommended that the member states of the U. N. take action to modify age-old systems of land tenure. to prevent exorbitant rentals, to promote cooperative organizations in the interest of those who till the soil, and to establish credit systems that offer promise of land ownership to the millions of peasants who are landless.

The Christian community around the world should give moral support to these recommendations. In our own country Christians should be watchful lest economic assistance to the underdeveloped areas be made the occasion for making the rich, richer and the poor, poorer. American citizens do not want to be taxed to make economic aid available to the underprivileged if such aid is exploited by the few at the expense of the many. Elsewhere, Christians should manifest a lively interest

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in the General Assembly's recommendations respecting land reform. They should let their respective governments know that the churches can be counted upon to give moral sanction to all constructive measures that will assure the world's peasantry of higher levels of economic justice and self-respect.

Social Justice Essential

Social justice, no less than economic justice, is essential to world order. It is extraordinary the extent to which the conscience of mankind is being sensitized to the need of social advancement. The Social Commission of the United Nations is concerned with such problems as better health, stronger family and community life, more adequate educational facilities, decent housing, better working conditions, child welfare, and protective social legislation.

Specialized agencies related to the U. N. carry the major responsibility for programs of social progress. The International Labor Organization brings to the conference table representatives of government, management, and labor to discuss labor conditions, living standards, and methods of labor protection, organization, and regulation. It convenes regional conferences on labor relations and encourages the migration of workers from labor-surplus to labor-shortage areas. It seeks to increase labor productivity, to promote freedom of association and trade union rights, to extend social security, and to achieve equal remuneration for men and women workers for work of equal value.

The Food and Agriculture Organization is engaged in the tremendously important task of increasing the

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world's production of food. Today there is less food per capita than before World War II. The free nations must mobilize their resources to prevent undernourishment and, for many people, threatened starvation. People with empty stomachs turn eager ears to Communist propagandists. The World Health Organization is waging a heroic battle against disease. The U. N. reports that in certain of the less developed areas death rates have dropped as much as 50 per cent over a brief period. The social benefits of improved health standards for the masses cannot but fortify the efforts of the peacemakers.

The United Nations Education, Scientific, and Cultural Organization is making a frontal assault on illiteracy. It seeks to help individual governments to improve their educational facilities. Missions to this end have been sent to a number of countries. Schools are conducted for refugees; interchange of students and professors is encouraged; scientific equipment is made available to needy peoples, and, where requested, help is rendered on a variety of scientific problems ranging from earthquake prediction to use of desert winds as a source of energy. The United Nations Children's Fund sponsors a ministry of loving care to millions of children on both sides of the Iron Curtain. Food, clothing, and a shelter are provided and national child welfare services are developed.

The effect of the combined labors of these and other specialized agencies enhances the prospects of world justice and peace. Christians in the United States must be constantly alert to prevent any withdrawal by their government from these world-wide endeavors to achieve social progress.

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Man's Rights And Freedoms

Third: Christians believe that the dignity of man reflected in the New Testament calls for the recognition and safeguarding of man's rights and freedoms under the law of nations.

Christians were among the first to demand that the United Nations concern itself with human rights and fundamental freedoms. They worked for the creation of a Human Rights Commission as an integral part of the structure of the United Nations. The Universal Declaration of Human Rights, approved by the 1948 General Assembly, was hailed by Christians everywhere as a milestone in man's progress toward the Christian ideal of brotherhood. The Convention on the Crime and Punishment of Genocide places the mass murder of racial, religious, and cultural groups under the ban of international law. The United States was foremost among the nations urging the drafting of this convention by the United Nations. The refusal of our country, thus far, to ratify this convention has shocked the conscience of those who have always regarded the United States as a champion of the rights and freedoms of minority groups. The 1952 General Assembly completed the draft of a Convention on the Political Rights of Women which would give women everywhere the right to vote, to run for election, and to hold public office on equal terms with men. Some 20 nations have ratified this convention. The United States has refused to do so. This is to be regretted. Not that American women are denied the privileges set forth in this convention, but for the reason that the moral prestige of the United States in the eyes of the world is compromised.

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Efforts are now under way in the U. N. to draft two Covenants on Human Rights: the Covenant on Civil and Political Rights and the Covenant on Economic, Social, and Cultural Rights. The Universal Declaration of Human Rights has only the sanction of public opinion. The proposed covenants would establish the rights and freedoms of man in law. Here, again, the United States took the lead. It has been officially stated by high ranking officers of our government that the covenants, when completed, would not be submitted to the Senate for ratification. Opponents in Congress of these covenants argue that their effect in the United States would be to water down certain of the rights guaranteed the American people under the Constitution. It should be remembered, however, that in the latest draft of the covenants the following specification is set forth: "There shall be no restriction upon or derogation from any of the fundamental human rights recognized or existing in any contracting state pursuant to law, conventions, regulation or custom on the pretext that the present Covenant does not recognize such rights or that it recognizes them to a lesser extent."

The United States offered, as a substitute for the Covenants on Human Rights, three propositions: that the U. N. institute a study of various aspects of human rights such as freedom of religion and the right to fair trial, and that the results of this study be made available to the U. N. for appropriate action; that annual reports on developments in the field of human rights be prepared by the governments of member states and submitted to the U. N.; that the U. N. establish advisory services on specific phases of human rights such as the sending of

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experts to various countries to arrange for seminars and to encourage public discussion of ways and means by which the freedoms exalted in the Charter might best be advanced. These are commendable proposals but they are not and should not be regarded by the Christian community as the moral equivalent of the Covenants on Human Rights. Christians should manifest a continuing interest in the proposed covenants and, when the drafts are finally completed, press for their speedy ratification by the Senate of the United States.

These, then, are among the aims of the Christian community in its search for world order: a community of nations to promote political understanding and to facilitate the process of negotiation respecting political disputes; a community of nations to achieve economic justice and to advance social progress; and the safeguarding of human rights and fundamental freedoms under the law of nations.

Questions To Be Considered While Reading The Christian Bases of World Order

1. What belief implicit in the Christian faith calls for a community of nations? What for international cooperation? What for the safeguarding of man's rights and freedom?
2. How can these beliefs be transformed into policies?
3. What obvious achievements have the United Nations to their credit toward political cooperation on a global scale?

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4. Why, in spite of these achievements, is the United Nations fighting for its life?
5. Why is there peril if the United States should withdraw from the United Nations?
6. Can the United States live in economic isolation?
7. Can you name some organizations that make it possible for members of the United Nations to deal with economic issues in the perspective of the world community?
8. Why is "separate action" necessary for healthy economy?
9. Why should "Buy American" legislation be repealed?
10. How does Dr. Van Kirk's discussion of technical assistance supplement Dr. Calderwood's discussion?
11. What international economic plan, in the offing, will put communism on the defensive everywhere?
12. How can the United Nations help in land reform? How can you?
13. What social progress essential to world order is being promoted by the United Nations?
14. Is there more danger of starvation today than before the war?
15. What stand, according to the author, should Christians take on the ratification of the Covenants on Human Rights?

FAMILY SECURITY IN OUR NATIONAL ECONOMY

By Lawrence Senesh

The real measure of any economic system is human welfare. Production should be organized in a way that assures a maximum return from resources and methods of distribution should assure that the population as a whole can maintain what is regarded as an adequate standard of living. At the same time, the organization of the economy should not encroach too much upon the freedom of individuals in making economic—or, for that matter, political — choices. Within reasonable limits, each person should have the right to select a vocation of his preference, to choose his own place of work, and to make his own decisions regarding the expenditure of his earnings. What curbs are applied should be no more than are necessary to preserve rights and opportunities for all individuals and groups and to maintain the well-being of the economy as a whole. Such an economic system complies with the Christian tenet of endowing man with dignity and rights, regardless of his social or economic class.

The economic system of the United States rates well on these scores. Within a framework of individual freedom, we have increased production and raised the living standards of citizens to a level unsurpassed in the rest of the world. While we have reason to be proud of this record, we also have reason to be thankful. As a nation, we have been exceptionally fortunate in hitting

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upon a rare combination of factors that has favored efficient and rapid economic development: our land is fertile and rich in a diversity of natural resources that provide raw materials for our burgeoning industries. Our population, swelled by immigration at a crucial time in our development, has kept pace with the ever-growing need for manpower. We have been able to maintain a high rate of investment in factories and new machines, to expand and streamline our productive methods because, perhaps partially, as a result of our cultural tradition of thrift, capital has always been available.

Other factors, less directly economic, have also operated in our favor. Our conditioning as a colonizing population, which left its traces even after the last frontier had vanished, has perhaps made us more venturesome in developing business and industry. We still see much of the pioneering spirit in our characteristic readiness to pull up roots and move to new communities and jobs, in our willingness to experiment with new materials and methods of production and in our individual ambition and enterprise. Another factor which undoubtedly deserves credit, our system of public education, produced very early in our existence a comparatively literate population.

We were quick to take advantage of our potentialities. By the end of the last century—when we were in the process of closing our last geographic frontier—we were already well on our way toward industrialization. New England was a center of textile manufacture and shipping; in Pennsylvania, steel mills were beginning to rear their smokestacks; Chicago was establishing domination of the meat packing industry. In many areas, the growth

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of factories was weaning people and land from agrarian pursuits.

This conversion meant that we were producing a greater variety of goods and services. It also meant that we were refining our productive techniques and setting the stage for a great expansion in output. The result can be clearly seen in our progress over the past half century. In terms of 1951 dollars, our Gross National Product (that is, the total goods and services produced in our economy) amounted to \$95 billion in 1900. Now it has risen past the \$300 billion mark. It has more than trebled.

If human welfare is to be used as the measure of an economic system, these figures become significant only in the light of their impact upon the living standards of the entire population. Here, it becomes necessary to examine what has happened to income as our economy developed. Have people earned enough as producers to take advantage of this increased national output as consumers?

Statistical evidence indicates that they have. The income position of families has been improving. During the period from 1935-36 to 1950, for example, the mean per capita income of United States citizens almost doubled—from \$894 to \$1500 (these figures are in terms of 1950 dollars). During the same time span, the number of households living on an income of less than \$1000 decreased from 17 million to 4 million—despite an increase in the total number of households. In the post World War II period, from 1944-50, the percentage of households with earnings of more than \$3000 increased from 48.1 to 70.8. Here, the increase in earn-

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ings of middle income families showed the greatest rise.

These statistics, dry as they seem, represent a rise in living standards: more luxurious food items and clothing, new refrigerators, electric irons, radios, television, cars, etc.—even allowing for increases in prices.

Our admiration for these accomplishments should not, however, blind us to the more negative outcomes and problems that attended our rapid strides toward material well-being. The price of our great productive capacity, though worthwhile, has been high in some respects. For example, we may note in passing that our industrial development represented a drain on resources that a nation less blessed with great natural wealth could not have afforded. In addition and more pertinent to our discussion here, the processes of industrialization have created new problems for Americans as individuals and as a society. Although we live materially richer lives, our methods of earning a living are much more complicated for several reasons:

1. A majority of our population depends wholly upon cash income. The average American family, now urbanized, must purchase food, clothing, shelter—all the material necessities—out of the cash earnings of the breadwinner. The self-sufficiency of the farm and the ability of the agrarian family to get by on its own produce if necessary no longer remain for most families as a cushion to lessen the economic impact of hard times.

2. Industrialization has made us more interdependent. An individual's ability to earn—whether he is employee, business man, or farmer—depends upon circumstances over which he has no direct control.

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3. The family group—and the family larder—today is less flexible. On the farm, there was usually a place for aging parents or other relatives who could not be self-supporting but who could lend a hand with the "chores". Homes were generally larger, and since much of the food was home-grown, extra plates at the family table put no holes in the budget. The modern urban family, by contrast, lives in smaller quarters and every additional mouth that must be fed represents a real financial burden.

4. People today live longer, and care of the growing proportion of aged in our population is more of a financial problem. As is explained above, children can no longer accommodate parents in their own homes but—considering the fact that there are fewer of them to share the burden of support (since families in their parents' generation were relatively small)—it is difficult for them to contribute enough to maintain a separate household for dependent fathers and mothers.

These factors have tended to endanger the standard of living of many, particularly those in the lower income brackets. They may live better from day to day, but they are, nonetheless, more vulnerable if their income is lost.

To heighten this dilemma, an industrial economy, by its very nature, is inclined to be unstable. Goods are produced for a future and unknown market. Producers must decide what items they will manufacture and in what quantities in terms of their own expectations of what consumers will need and want. Understandably, their decisions reflect their own pessimism or optimism regarding the economic situation. Unfortunately, if many of them misjudge, the impact of their decisions may re-

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act adversely on the entire economy. If they are too optimistic in overexpanding their plants, costs of production may increase (since the costs of labor and raw materials and interest on borrowed capital rise if these "factors of production" are in great demand), and prices on items may have to be raised. So these higher prices begin to encounter consumer resistance. Manufacturers may find themselves with excess inventories. When, as a logical result, they curtail investment, the plant "slowdowns" create unemployment. If such slowdowns are widespread, the downward spiral of depression begins.

The crash of '29 and the slump of the '30's are an excellent case history of such a depression and the helplessness of individuals to cope with it. Coming in the wake of a boom created by over speculation, it hit hard and lingered long. Few were left unscathed before we were done with it. Fortunes, life savings and businesses were lost—some swept away in the first shock of the crash, others foundered by the slow stagnation of business and the rising level of unemployment that followed.

This depression marked a turning point in American attitudes toward economic security. It was perhaps the first time that the fact of our economic interdependence as members of an industrial society was brought home to us clearly. We had always believed, as a nation, that individuals were the sole masters of their own destiny, but we emerged from the first throes of the depression with much evidence to the contrary. Men, with families to support and anxious to find work, made endless and disappointing rounds to no avail; elderly couples, who

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had carefully scrimped and planned for old age, found themselves without resources; young men and women just entering the labor market found that education and ambition counted for little in a contracting economy. The truisms of the pre-depression era — that “anyone who wants a job can find one,” and that people who are poor have usually “violated the gospel of thrift” rang hollow for these people as time went on and the dip continued.

In the face of these conditions, Americans became more aware of threats to family security—not only in terms of unemployment but of other hazards such as old age, sickness, temporary and permanent disability and death of the breadwinner. Evidence of the changing climate of opinion, the Social Security Act of 1935, was designed to provide a minimum of insurance against some of the hazards, was enacted with scarcely a stir of controversy. It was the first positive act of our federal government to deal with the problem, although similar legislation has a much older history in Europe.

Public concern for the problem of security did not diminish with the end of the depression. Neither the boom of the war years nor the continuance of prosperity throughout the post-war years has thrust the issue out of our minds. This is not necessarily the symptom of an extended case of fright (although the impact of the depression may, indeed, still linger in many memories). It only means that we now recognize that family insecurity is too widespread and recurring to be dealt with wholly on an individual basis, and that the issue requires concerted action as a social problem. The basis for this attitude can be clearly understood by examining the

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causes and consequences of the various threats to family income:

1. *The problem of unemployment.* Irrespective of the state of the national economy, a small portion of the labor force will be unemployed at any given time. For example, during 1952, a period of relatively high employment, the average number of unemployment insurance beneficiaries in any week was 874,000, and it is estimated that total unemployment averaged about 2 million. Such unemployment included instances of seasonal "lay-offs", isolated business failures and "slow-downs", and the unemployment of workers who had quit their jobs to find better opportunities, more desirable locations, etc. Whatever the reasons are at any time and whether the unemployment is voluntary or involuntary, it results in a loss of income that will usually be reflected in reduced purchasing power and heightened insecurity. If the unemployment is widespread, such a reduction in spending will aggravate a deflationary trend and may bring about the competitive lowering of wages and profits.

2. *The problem of old age.* Improved living conditions and medical care are among the many factors that have combined to prolong the lives of people. Compared with three million persons over 65 in 1900, there are over 13 million today—more than four times as many although the total population is only twice as large. Nor has the problem of the aged increased only in scope; it is also more complex. As previously stated, industrialization and urbanization have made it generally impracticable for aged parents to join the

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households of their children. Unless they are able and willing to remain employed or have sufficient savings or pensions or unless their children are able to contribute to their financial support, they must go on the public dole or retire to institutions—a demoralizing predicament for many of them. Even if they continue to work, the issue is not necessarily resolved. In some cases, continued work may be the most desirable course (although there is still the argument that the retaining of aged personnel delays promotions for younger employees). In other cases, when employers retain an aged person of reduced efficiency because he is in need of income, continued employment beyond retirement age may impair productive efficiency and increase the danger of accidents. Even these considerations do not exhaust the issue: What of aging workers who may still have families to support? Should an aging worker be retained during times of depression when younger breadwinners are out of work? are among the many questions to be taken into account if the problem is to be examined thoroughly.

3. *The problem of sickness.* The cost of prolonged illness and special medical care—or even large dental bills—is a hazard that may leave a family deeply in debt or play havoc with savings. Even if the family is able to foot all of the expenses involved, if their savings are used up doing so, they will be more vulnerable to any new threats to their security. For many families, this problem is a serious reality. According to a survey conducted by the National Opinion Research Center, Americans spent \$10,200,000 for medi-

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cal and dental services and goods between July, 1952 and June, 1953. In addition, seven and one-half million American families owed an average of \$121 to doctors, dentists and hospitals at the time of the survey in 1953. Nor do these figures indicate the instances in which medical and dental care was needed, but neglected because of cost. That such neglect is widespread would seem to be indicated, however, by the fact that the survey revealed that only one-third of the American people see a dentist in a year. This, in itself, may have serious implications for national health standards.

4. *The problem of temporary and permanent disability.* Despite the increased attention that is being given to the elimination of accidents, there are about 18,000 work fatalities plus 1800 permanent disabilities, 100,000 permanent partial impairments and over two million temporary total disabilities that are job-incurred each year. In addition, an indeterminate number of people are disabled in other circumstances on which no statistical information is available. Apart from the costs of medical care, such disability may mean loss of income if the breadwinner is involved. If the victim is a homemaker, it may mean additional and heavy expenses when someone must be hired to take over the care of the house, children, or the disabled person. Nor is the family the only group who suffers: society loses a productive member and may have to extend continuing financial assistance if the worker is permanently handicapped and if no rehabilitation is given.

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5. *The problem of the death of the breadwinner.* Death has currently widowed about 800,000 women with children in their care and has left about two million children fatherless. In many, perhaps most, of these cases, the surviving family must get along on a greatly reduced income—particularly if the widow does not work. In cases where the widow is not working, which holds for about one-half of the total, only about one family in ten has a monthly income of over \$75 if Old Age and Survivors' Insurance benefits are excluded. On the other hand, although the financial position of families with employed widows is usually better, it is still debatable whether a working mother can give proper care and attention to her children.

These brief descriptions do not pretend to exhaust the costs of family insecurity. To assess them in full would be an impossible task. We can only guess, for example, to what degree the insecurity of a family is visited upon children: in curtailing their opportunities for education, in affecting their emotional stability and in undermining their total health. However, we can perhaps assume that the ultimate cost to society is fairly high.

In coming to recognize the social as well as the individual nature of these hazards to family security, we have developed a threefold approach to solving them: (1) Each family is recognized as having the major responsibility for establishing and maintaining an adequate level of income; (2) Business, through its fringe benefits (pensions, thrift plans, profit sharing, etc.), adds extra supports to secure the family's income level; (3) Government, through its Social Security programs, establishes a "floor" to assure that families and indivi-

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duals will still be able to subsist if income is discontinued and they are left without resources.

The rest of this chapter is devoted to the measures of these three groups in our economy to protect family income and, thus, to assure that all families in our nation will be able to maintain an adequate standard of living. Most of the information reflects the findings of the American Assembly, an organization established at Columbia University in 1950 by Mr. Dwight Eisenhower to conduct impartial investigations of the major problems that confront citizens in the United States.

Individual Measures To Protect Family Security

In summarizing the individual's responsibility, the American Assembly stated, "Individual thrift is and should continue to be a major element in the American pattern of economic security. Private savings are an essential, integral part of the solution to the individual's economic and social security, and the individual should be encouraged to provide all that he can for his family and himself. The achievement of a high standard of personal savings is essential to the dynamic operation of our economic system and can provide a significant safeguard against economic dislocations. The encouragement of individual savings should be kept in mind at every phase of legislative policy-making, including tax policy."

Even while the American people have purchased more goods—automobiles, food and luxury items of all kinds—each year, they have not been unmindful of the need for building up their financial reserves. With the excep-

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tion of the depression years, personal savings have increased steadily. This is particularly important in terms of many people in the lower income brackets who, because of the more equitable distribution of income in our economy, have been able to "put by" some portion of their earnings and still increase their living standards.

These savings are reflected in many ways. The growth of home ownership, for example, indicates that many more people have one important cushion to lessen the shock of loss of income. This form of saving has jumped, particularly in the World War II and post-war years. From 1900 to 1940, from 43 to 48 per cent of the households in the United States were what is called "owner-occupied dwellings." From 1940 to 1950, home ownership rose to 55 per cent—a remarkable gain, even though many of the homes are heavily mortgaged.

Other forms of saving have also increased. Between 1940 and 1950, the amount of life insurance in force more than doubled, the amount of savings in savings and loan associations almost trebled and the amount in mutual savings banks almost doubled. In addition, the amount of investment in United States savings bonds increased nearly eighteen-fold. While it is true that the total amount of installment loans to consumers also increased, this "dis-saving" has not cancelled out the rise in personal financial reserves — even allowing for the changing value of the dollar.

These facts, optimistic as they are, should not conceal the fact that there are still many families and individuals without any real financial backlog and with incomes too low for saving. In 1950, for instance, 19 million families and unattached individuals still earned less than \$3,000

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per year. In many cases, considering the cost of living, this income could not allow for saving if the families were to maintain an adequate standard of living.

In addition to this problem of income distribution which still needs consideration, the problem of education to protect family security is one that will always remain. Such education has several objectives: (1) to assure that individuals receive training that will prepare them for productive work at a profitable wage; (2) to make individuals aware of the importance of choosing the right job; (3) to give them the training in budgeting their income to allow for savings; and to prepare them for making wise investments that will do most to protect their security.

Health Insurance

Health insurance belongs in a category all its own as one of the measures which families may take to protect their economic security. It does not add up to total savings, but it may serve to protect family savings in the event of high medical bills.

Set up on a private and voluntary basis, different types of health insurance are offered by such agencies as Blue Cross and by many life insurance companies. As with life insurance, individuals pay regular premiums for coverage, often (in the case of such schemes as Blue Cross) through automatic deductions from their paychecks.

In 1952, according to a survey by the Health Insurance Council, the number of persons protected in some measure by such voluntary insurance were as follows:

Hospital insurance 92 million persons

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Surgical insurance	73 million persons
Medical insurance	36 million persons

These schemes, although they have afforded some protection, are generally considered to fall short of the real need at the present time. Some of the major shortcomings that are pointed out are:

1. Limitations are imposed upon the benefits payable, and insured persons are often left with heavy bills for hospitalization and treatment that runs beyond the set insurance benefits.
2. Those interested in the public health angle of medical insurance contend that many people postpone visits to doctors because of the cost and that some serious troubles involving heavy medical bills could be averted if more trivial medical expenses were covered by insurance.
3. Dental bills, which may be high, are not covered by insurance.

In terms of medical costs, perhaps those that suffer most under present schemes are persons whose income is too low to be able to afford current charges for private attention but too high to qualify them for free hospital and medical care.

While it is generally recognized that current measures for health insurance need some revision, the methods by which the present arrangements should be improved are a matter of controversy. Under a plan proposed by Mr. Truman in 1945, health insurance was to be set up as a compulsory and national scheme in which the doctors of a community would have a choice of operating on a fee-for-service basis, a salary, or an annual fee-for-

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patient basis. Many groups have opposed such nationalization, however, and suggest that as much as possible should be done on a voluntary basis with government subsidies for the benefit of those who cannot for some reason meet the insurance premiums. This latter proposal represents the general lines of thinking that are followed by the current administration, which favors the minimizing of government intervention.

Business Measures To Protect Family Security

Business and industry, as an outcome of labor-management negotiations and the recognition that employee welfare is an important factor in prosperity, having established numerous programs to strengthen the security of workers. Real wages of employees have been increased, not only in terms of larger paychecks but by other benefits such as a severance pay for fired workers, seniority status, a guaranteed work week and insurance plans covering death, accidents, sickness, hospitalization and surgery.

One of the most significant of these benefits are business and industrial pension plans which cover about 12 million workers in our present labor force and cost employers about \$2½ billion annually. These plans have grown in favor with both employers and employees for several reasons: (1) by assuring some security for aged employees, employers have felt freer to retire older workers and replace them with younger persons; (2) employers feel that such plans improve employee morale and decrease labor turnover; (3) employers are allowed to deduct all contributions to pension plans from their

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taxable income; (4) employer contributions to pension funds represent an increase in the real wages of covered workers for which they are not taxed. One of the developments which has helped to entrench these plans more firmly in recent years was a decision of the National Labor Relations Board in 1948 which defined such pensions as part of workers' compensation. This decision not only provided favorable tax treatment but entailed obligations for businesses with pension programs. Once set up, the programs have to be permanent and cannot discriminate against rank and file workers.

To be eligible for pension benefits, service is a basic requirement. Some plans require only a specified minimum period prior to retirement age. Others do not require such a period, but rather one of qualifying service. Some pension plans exclude those hired after they have reached a certain stated age.

These private pensions are regarded as a supplement to and not a substitute for the Old Age and Survivors' Insurance of the federal government: therefore, almost all of the plans take Social Security benefits into consideration. In some places, the Social Security benefits are deducted from the pensions; others halve the deduction, and still others regard the pensions as additional benefits to Social Security. To determine the amount of the pensions, practically all private plans consider the length of service and the wage level of the employees.

Private pension plans frequently permit early retirement after employees have met one or more requirements as to age, service and consent of the employer. In some plans, employees can become eligible for benefits in the event of total and permanent disability.

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Some plans have no compulsory retirement age and permit employees to remain in service beyond the normal retirement age so long as they are able to perform duties satisfactorily. This flexibility in regard to retirement is a later trend, based on the belief that it may be economically wasteful and socially harmful to retire employees without regard to their productive abilities. As the general level of the health of the population improves, the problem of compulsory retirement at a predetermined age will be aggravated.

Whether or not the employee contributes to a pension plan is often determined by the employer's ability to bear the cost of the program. The majority of employees covered by private pension plans in the United States do not contribute to the cost of the basic plan. Many employers and some unions, however, favor a dual program under which a basic pension is provided by company contribution alone, while employees with salaries above \$3,600 have the option to contribute to a supplemental pension.

Vesting is the employee's right to retain his claim to the pension, or to receive the cash equivalent if he leaves an organization prior to retirement age. Studies reveal a growing trend toward some degree of vesting prior to the normal retirement age, generally in the form of a right to receive, at normal retirement age, the pension accrued up to the date of severance. The right to receive a lump sum cash payment is seldom given, unless it constitutes the employee's own contribution. Employers generally object to early vesting because, according to their views, the purpose of the pension plan is to make possible the retirement of older employees with long

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service, and to retain the loyalty of younger employees. The labor unions, because they consider pensions as deferred wages, argue that employees are entitled to vesting at any time.

Funding is the arrangement by which the employer and the employee contribute to a fund, out of which the employee will receive his pension during his retirement. The pension may be funded by a separate trust, or the pensions may be provided through some form of an insurance company contract. Through these methods corporations build up sizable sums which are available for investment into stocks, bonds, etc. In terms of high employment, such funds available for the capital market may stimulate the economy, by promoting new investments; but during a depression, the funds will lie idle.

Large corporations with great funds available are at an advantage over smaller companies without pension schemes in the matter of recruiting labor and keeping it; however, the costs of financing the schemes may be heavy and if they have to be absorbed into the price of the goods they may place companies with such plans in an unfavorable competitive position in the market.

The Measures of Government

European nations, which had occasion to recognize the social problems attending industrialization long before the United States, preceded us in setting up government programs to bolster the economic security of citizens. By contrast, our own government avoided the area many years, not because we were less mindful of human welfare as an important goal but as a matter of principle, based upon our belief that the economic

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sphere should be divorced from the political and upon our confidence that individuals themselves could successfully assume responsibility for their own material well-being. On both state and federal levels, almost the only entry of government into the area was Workman's Compensation legislation, enacted by the majority of states between 1912 and 1920.

As previously stated, the Great Depression made it necessary for government to assume an active share in insuring economy security and stability. But even then, the federal programs were carefully formulated to preserve a dominant role for individual initiative and to prevent their use as political weapons. The following principles, basic to our national philosophy, were always considered in such programs:

1. That no one should receive something for nothing, except in cases of dire social need. (Excluding Public Assistance, government programs are set up as an insurance that is wage-related and the insured receive benefits in relation to their own contributions.)
2. That, whenever possible, the government should work through private agencies in administering their programs.
3. That such governmental programs should be decentralized if possible to prevent government from becoming "top heavy" and to make it possible for programs to be adapted to local conditions and needs.

The Social Security System, established by an Act of Congress in 1935, and augmented by further legislation

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in 1937, is the basis of all government programs specifically insuring individuals against the hazards that threaten their income. It includes:

Old Age and Survivors Insurance

Designed to provide a minimum financial protection for the aged and surviving families of deceased breadwinners, the OASI, as it is called, now covers eight out of ten (or 48 million out of 60 million) members of the labor force. It is compulsory for the majority of wage earners and is voluntary for employees in a few establishments (such as non-profit organizations) and for the self employed. Because of the scope of the program, the vast amount of money involved and the mobility of the population, the program is administered wholly on the federal level. It is, thus an exception to the usual rule.

The program is based on the insurance principle and is financed by equal contributions from insured employees and their employers. The amount of deduction is determined as a per cent of salary, up to a maximum of \$3,600. The original deduction, set when OASI was instituted, was planned at the time to raise the percentage gradually over a 12-year span to a maximum of six per cent. However, in 1939, when the first increase was scheduled to go into effect—the two per cent deduction was frozen and it was not until 1950 that the deduction was increased to three per cent. This was followed by a rise to four per cent in January, 1954, and further increases are to be made at regular intervals until 1970, when a ceiling of six and a half per cent is to be reached. These increases are designed to meet the rising out-

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lays of OASI as more and more of the insured reach the age of 65 and become eligible for benefits.

The insured can begin to draw benefits at the age of 65 if they do not remain in covered employment or if their monthly wages do not exceed \$75.00. After their 75th birthday, the insured persons may draw benefits regardless of earnings from employment.

Benefits are based on average monthly wages earned in covered employment since 1951. While the benefits increase with higher earnings, they are not in direct proportion to earnings and favor the low salaried worker. The minimum benefit is \$25.00 and the maximum is \$85.00 at the present time.

If the insured dies, his survivors may begin to draw partial benefits. Widows with dependent children or past the age of 65 and widowers who have been dependent upon their insured wife are eligible for 75 per cent of the normal benefits, and special allowances are made for minor children: an additional 75 per cent of the normal benefit is paid for the first child and one-half that amount for each additional child. Aged parents who have been dependent upon a covered person may draw benefits if he dies only if there is no other entitled survivor.

In addition to survivors' benefits, OASI pays eligible widows and widowers a lump sum amounting to three times their monthly benefit immediately after decease of of the breadwinner. In other cases, modest funeral expenses are reimbursed (to a sister, for example).

The OASI program is now nearing the end of its second decade. It is still not a fully mature program in

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the sense that few of the persons originally insured have yet reached the age of 65, and the program's contributors are still abnormally high in proportion to the number of people who now receive benefits. However, in the light of current conditions and with a certain amount of perspective that the years have lent, some problems have emerged that deserve consideration.

1. It is at least debatable whether those who continue their normal work after 65 should be denied OASI benefits under any conditions. In times of high employment, the restriction is unnecessary to provide jobs for younger workers and even serves to deprive industry of employees with valuable experience. In addition, such restrictions may be the source of both psychological and financial difficulties for the aged who are still willing and able to work because: (a) enforced idleness may be demoralizing for the person who has always been busy and interested in his work; (b) even the maximum monthly benefit is not sufficient to cover normal living expenses, and persons who have no retirement income from other sources may be forced to work to get by. For such persons, it may seem unfair that the only income that results in ineligibility is job-related.
2. OASI coverage is not complete. Many professions and some salaried jobs are not covered. This would be less of a shortcoming if all the excluded persons were in a sufficiently high income bracket to make provisions for their own security, but unfortunately, this is not always the case. In addition, persons who move in and out of covered employment lose when their benefits are calculated, since only their earnings

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in covered employment are divided by the total number of months that have elapsed since 1951. (For example, if Mr. A was covered by Social Security in 1951, moves out of covered employment and then again accepts a position in covered employment, his average earnings for the period would be derived by dividing his total earnings in covered employment by the number of months he spent in both excluded and included jobs.)

3. Benefits are computed in terms of average monthly earnings, regardless of whether the insured person has fulfilled only the minimum time requirements for eligibility or whether he has contributed for a much longer period. This arrangement puts a premium on entering OASI late in life. It tends to drain the fund and may result in unnecessarily high contributions from future generations.

Unemployment Insurance

Under the Social Security Act, a majority of employees in the United States were covered by unemployment insurance. Although the federal government retained power to impose an unemployment tax and administer the programs in states that did not undertake the initiative for a program, all of the states have preferred to keep the administration within their own jurisdictions.

The federal law formulated the basic provisions for financing. It specified that employers with a few exceptions, must pay a tax of three per cent on the salary of each employee up to a maximum of \$3,000 per worker. (However, to encourage good labor practices, states are allowed to lower insurance rates for employers whose

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labor turnover is low.) In each state, the money is set aside in a special fund, with the exception of 10% which is allocated to the government for their own costs in administering the law and for the establishment of an emergency fund upon which states may draw if necessary.

Eligibility for unemployment insurance benefits depends upon the following factors:

1. To receive benefits, an unemployed worker must have been employed in a covered industry for a certain base period—the duration of which varies from state to state.
2. To be eligible, the unemployed worker must have an adequate reason for quitting a job. He is also eligible if fired for any reason other than misconduct.
3. The unemployed worker becomes ineligible for benefits if he refuses to accept a suitable job.

The size and duration of benefits vary from state to state. To encourage the unemployed to seek new employment, a fairly low maximum is set on the size of payments. The amount is usually about one-half of the worker's average weekly wage for the base period established by the state, and in some states, there are small additional allowances for dependents. The maximum duration of payment is six months, although many states set a time limit that is considerably shorter.

Considering the great variations in the wealth of different states and in their vulnerability to depression, it is perhaps understandable that employees are afforded more or less protection depending upon their place of

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residence. These divergencies in states programs give rise to some, but not all, of the problems that still remain unresolved in our system of unemployment insurance:

1. States that have a relatively small number of industries subject to unemployment tax cannot build up adequate fund reserves.
2. The duration of benefits is too short in some states, particularly those that are vulnerable to regional depressions that can drain their unemployment insurance fund. Thus, in 19 states, it has been found that 50% of unemployed workers exceed the duration of their unemployment benefits before they find another job.
3. Unemployment insurance is not geared to meet the needs of the chronic unemployment that will be inevitable if there is a general and extended dip in business.
4. In all states certain groups are excluded from unemployment insurance: employees of non-profit organizations, domestics, and workers in establishments with less than eight employees. These people are nonetheless vulnerable to the hazard of unemployment and need protection.

Special Assistance

All government insurance programs to protect income are related to employment. They do not, therefore, cover those who are unemployable and who have never had an employed status that could entitle them to income insurance. The needs of this group, which in-

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cludes the aged who are not eligible for OASI, the disabled, and dependent children, must be met if we are to consider ourselves a humane society. In the United States, care of such needy cases remained in the hands of private charities until the Social Security Act established the Special Assistance Program.

As with most federal programs, Special Assistance is administered by the state. However, the government does assume a share of the financial burden involved as follows:

For old age assistance and aid to the blind . . . three-fourths of the first \$20 and one-half of the balance up to a maximum federal contribution of \$30 per month.

For aid to dependent children . . . three-fourths of the first \$15 and one-half of the balance up to a maximum federal contribution of \$16 per month.

Eligibility for Special Assistance is based on a Means Test (that is, proof must be given that the person applying for assistance has no other means of support). Each state sets up its own criteria for determining need and the strictness of the Means Tests differs quite considerably. For example, some states will not render Special Assistance if the applicant owns his own home, a radio, an auto, etc., while other states permit ownership of such non-income property. These variations in criteria for the Means Test probably constitute one of the reasons for the great differences in the case loads of states. In one state, for instance, the percentage of aged receiving public assistance is only 8%; while in another it is 46%.

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As with all state-administered Social Security programs, Public Assistance allowances are set by the state although the federal government assumes part of the cost. Again, the result is a considerable amount of variation—from \$38.00 per month to \$78.00 per month for old age assistance, as one example. Average monthly payments for the country as a whole are as follows:

Old age assistance	\$51.46
Aid to dependent children	87.54
Aid to the blind	55.73
Aid to the permanently and totally disabled	56.41

Along with many of the other programs, the lack of uniform provisions in the states and the financial limitations of some of the states has given rise to many of the problems that remain unresolved in the present programs. These include:

1. Means Tests vary greatly from state to state. this probably means that some legitimate applications are turned down where requirements are the strictest and that there is some exploitation where the requirements are too liberal.
2. Size of payments differ from state to state. This has tended to increase the Public Assistance rolls in the more generous states, since unless the state residence requirements for eligibility are high, people under assistance may tend to migrate to states where assistance payments are largest.
3. Means tests may leave "loopholes." It has been found that recipients of Public Assistance in one state sometimes take jobs in another state.

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4. Old Age Assistance, which was to be largely supplanted by OASI insurance, has increased rather than declined, and still constitutes a major portion of Public Assistance expenditures.

Workmen's Compensations

Workmen's Compensation is the oldest form of "social security" legislation in the United States, and is the product of state rather than federal legislation. The first state law was enacted in 1912, and since that time all states and territories have followed suit—the last one, Mississippi, as late as 1948.

The laws have the same basic objectives: to make employers liable for work-incurred injuries of their employees. In so doing, it helps to assure prompt benefit payments to insured workers, adequate and competent medical services, rehabilitation to enable workers to return to gainful employment and work for accident prevention.

The laws are administered through Workmen's Compensation Boards set up by the states, which rule on the liability of the employer, and specify the amount and type of compensation the employer must pay in terms of an established schedule. To meet these costs, some states have made it obligatory for all employers to carry insurance covering the injury and death of workers.

The amount and extent of compensation paid, which depends upon the schedules made up by the states individually, is outlined below—in a very general way, of course, considering the great variations in state rulings.

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1. Compensation for death of worker. Benefits which are payable to the deceased worker's widow and surviving children are usually determined as a percentage of the worker's average weekly wage up to a maximum of between \$25.00 and \$35.00. In some cases, such benefits continue throughout the life of the widow or if the surviving children are beneficiaries, until they reach maturity. The shortest span of payments is five years.
2. Compensation for work-incurred injury and illness. While some states set no maximum on the amount of medical care to be provided for the worker, several states specify that employers are liable *for only up to* a maximum. That maximum may be as low as \$1,000. Workers are also to be compensated for the loss of wages—usually at the rate of about one-half or two-thirds of their weekly wage up to a maximum of \$25.00 to \$35.00. Benefits payments ordinarily will extend over several hundred weeks, or in some cases, indefinitely. If the injury or illness becomes a permanent disability that results in partial or total loss of earning capacity, the benefits are extended to a maximum of 6-10 years at the very least, and, in some states, throughout the entire life of the disabled worker.

Here, if the disability is only partial, the rate of benefit is set as a reimbursement for partial loss of earning capacity and is, of course, lower than benefits for permanent disability. One important limitation on this type of compensation is to be found in the provision for occupational illness. In many states with major industries

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in which occupational disease is a recurring problem, the liability of the employer is minimized.

3. Provisions for Rehabilitation of Workers. Rehabilitation provisions are a relatively recent development in Workmen's Compensation. At the present time, 18 states have made arrangements to finance retraining of disabled workers. Despite the fact that such provisions may initially increase the costs of Workmen's Compensation, they may ultimately add up to a real saving, since training can restore the usefulness of disabled workers and decrease the duration of compensation payments.

In terms of these provisions that have been very generally described several problems emerge that, at least, deserve consideration:

1. Benefits to a widow are paid only for a limited period in many instances, and in the end, she may be left in need.
2. None of the benefit payments in Workmen's Compensation consider size of family.
3. In a majority of states, the benefits for total permanent disability terminate after several years. Thus, those who are completely disabled are eventually left without a source of income.
4. Benefits paid for disability arising from occupational disease are often set lower than average disability payments, particularly in states where industries make the incidence of such disease highest.
5. In some states, the extent of an employer's liability for medical expenses falls short of actual expenditures.

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6. Rehabilitation programs need more development.

By definition, Workmen's Compensation provides coverage only for disability and loss of income that is incurred in the line of work. But it leads quite naturally to the question, "What about coverage for disability that is not work-incurred but which, nonetheless, results in handicapping and prolonged or permanent loss of income? At present, public assistance is the only recourse available on a nation-wide basis, but some states are already beginning to think in terms of insurance for such an exigency. Four, thus far, have worked out some degree of coverage through their unemployment insurance programs, and in state, the definition of the Workmen's Compensation programs has been liberalized so that insurance against disability that is not work-incurred can be included. In all cases, such insurance has been financed by deductions from employees' paychecks and has been handled by private carriers (that is, insurance agencies).

The programs of government to protect family security that have been mentioned thus far are limited in their objectives, designed to serve for emergencies and to deal with special problems. In its widest sense, there is much more to maintaining family security than such measures encompass. Family security — the continued material well-being of all—depends upon productivity and the opportunities that are offered citizens to earn an adequate income. The Employment Act of 1946—in which the government assumes responsibility for creating and maintaining such "maximum employment, production and purchasing power"—is thus one of the most significant federal measures for family security. Through

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this act, the government proposes to reinforce an already sturdy economy without changing its basic premises. Its tools are many: farm support programs, minimum wage laws, labor legislation public works, monetary policy, fiscal policy, debt management, and the Social Security System. These are tools to be applied with discretion and evaluated in the light of all the values that we cherish as Americans.

No brief discussions of measures for family security can pretend to deal with the problem and all of its ramifications. Government measures alone, for example, are provided under laws that occupy volumes of text. Yet such an overview at this — which admittedly is greatly generalized and omits much—can provide the information that citizens need. It is highly useful as a frame of reference by which people can evaluate their own situations and determine how the economic security of their own families will best be strengthened in terms of personal measures. It is also vital to citizens who will be asked to pass upon future social legislation as it develops. It is hoped that this chapter will answer these needs to some degree.

Questions To Be Considered While Reading Family Security in Our National Economy

1. What are the three rights a person should have (within reasonable limits) in any economic system?
2. How does the United States rate in assuring these rights? What factors have operated in our favor?

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3. Have citizens in the United States been able to take advantage of increased national output as consumers?
4. What are some problems that have come with the increased industrialization of our country in terms of security, care for the aged, etc.?
5. Is it true that "any one who wants a job can find one" at all times in the United States?
6. If unemployment is widespread, how are wages and profits affected of those employed?
7. What are some wide spread hazards to family security?
8. How can the individual help build a platform for economic security?
9. How can business and industry help build a platform for the economic security of workers?
10. What part should government play in establishing economic security for its citizens? What principles should govern its role?
11. What problems in the government plan deserve serious consideration?
12. What is workman's compensation, and do all states have it?
13. What are some of the problems connected with the compensation?
14. What is the great underlying measure necessary for citizens to earn an adequate income?
15. Can you give quotations on ideas from Chapter I which give a basis for considering this chapter a part of a Christian Social program?

STATEMENTS ON ECONOMIC LIFE

THE METHODIST SOCIAL CREED

I. OUR HERITAGE¹

The interest of The Methodist Church in social welfare springs from the labors of John Wesley, who ministered to the physical, intellectual, and social needs of the people to whom he preached the gospel of personal redemption.

In our historic position we have followed Christ in laboring to bring the whole of life, with its activities, possessions, and relationships, into conformity with the will of God.

The followers of Christ and a depressed world look to a united Methodism for a statement of its position on social and economic questions.

II. OUR THEOLOGICAL BASIS

The Methodist Church aims to view the perplexing times and problems which we face today in the light of the teachings of Jesus. Jesus taught us to love our neighbors, and because we love them, we seek justice for them. We believe that to be silent in the face of need, injustice, and exploitation would be to deny Him.

We believe that God is Father of all peoples and races, Jesus Christ is His Son, that we and all men are brothers, and that man is of infinite worth as a child of God.

III. OUR BELIEF IN THE DIGNITY OF HUMAN PERSONALITY

We believe that personality possess the highest value.

¹All headings have been added for this printing.

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We test all institutions and practices by their effect upon personality. Since personality is being oppressed in so many parts of the world, we seek for its emancipation and for those things which will enrich and redeem it. Since Jesus died for the redemption of human life, we believe we should live to fulfill our obligation to help save man from sin and from every influence which would harm or destroy him.

IV. OUR DECLARATION OF SOCIAL CONCERN

We repent of our blindness to the actual situations which have developed in society; therefore, applying the foregoing principles to the social problems of our day. The Methodist Church declares itself as follows with *reference to:*²

(a) The Family

We stand for equal rights and complete justice for all men in all stations of life; for the protection of both the individual and the family by the single standard of purity; for education for marriage, parenthood, and home-building; for proper housing, proper regulation of marriage, and uniform divorce laws.

We stand for a proper regulation of working conditions for women, especially mothers, and the safeguarding of their physical and moral environment; for the abolition of child labor; for adequate provision for the protection, education, spiritual nurture, and wholesome recreation of every child; and for the provision of educational programs which will attain these ends.

²Italics added.

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(b) Poverty and Unemployment

We believe that the industrial development which makes possible economic plenty for all, places upon men great moral responsibility in that the spiritual development of great masses of men is now needlessly hindered by poverty. We therefore stand for the abatement and prevention of poverty and the right of all men to live. We believe that it is our Christian duty to do our utmost to provide for all men opportunity to earn an adequate livelihood. Inasmuch as lack of significant employment tends to destroy human self-respect, we believe that workers must be safeguarded from enforced unemployment.

(c) Working Conditions and Vocational Training

We oppose all forms of social, economic, and moral waste. We urge the protection of the worker from dangerous machinery, from unsafe and unsanitary working conditions, and from occupational diseases.

We believe that we are under obligation as Christians to do all we can to provide training and employment for all our youth. Such training and employment would greatly reduce our serious problem of juvenile delinquency. We therefore urge our local churches to provide wholesome activities for all our young people, especially among the poor.

We stand for reasonable hours of labor, for just wages, for a fair day's work for a fair day's wage, for fair working conditions, for periods of leisure for those who work, and for an equitable division of the product of industry.

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We stand for all workers' having at least one day of rest in seven.³

(d) Social Benefits for Workers

We stand for some form of security for old age, for insurance against injury to the worker, and for increased protection against those preventable conditions which produce want.

(e) The Right to Organize for Collective Bargaining

We stand for the right of employees and employers alike to organize for collective bargaining and social action; protection of both in the exercise of their right; the obligation of both to work for the public good.

(f) The Entire Economic Order

We stand for the principle of the acquisition of property by Christian processes and the right of private ownership thereof with full acknowledgment of stewardship under God and accountability to him for its use. We espouse no particular economic system, and refuse to identify Christianity with any economic order. We approach every economic order in the commands of our Christ and judge its practices by the Christian gospel. We firmly believe that it is our duty not only to bring Christ to the individual but also to bring the society within which we live more nearly into conformity with the teachings of Christ. We believe that the free democratic way of life ruled by Christian principles can bring to mankind a society in which liberty is preserved, justice established, and brotherhood achieved.

³See also paragraph 2 in subsection "a."

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(g) Rural Life

We recognize the basic significance of rural areas in relation to population supply, natural resources, community life, and Christian culture. Methodism, because of its large rural membership and world-wide impact must accept the responsibility and leadership, not only in the United States but throughout the world, for dignifying and supporting Christian service, and for developing an adequate Christian program in rural areas, pertaining to people in their relationship to God, to soil and all natural resources, and to family, Church, and community welfare. We call upon all leaders of our Church, lay and clerical, thus to help establish the Kingdom of God in the countryside.

(h) The Harmful Effects of Intoxicants and Narcotics

We stand for the protection of the individual, the home, and society from the social, economic, and moral waste of any traffic in intoxicants and habit-forming drugs.⁴

(i) The Redemptive Principle in Treatment of Crime

We stand for the application of the redemptive principle to the treatment of offenders against the law, to reform of penal and correctional methods, and to criminal court procedure. We recommend a continued and more intensive scientific study by Christians, citizens, governmental agencies, and other groups of the punishment of crimes now requiring the death penalty to the end that some method of handling the problem can be found

⁴For information on section "h," write to the Board of Temperance, 100 Maryland Ave., N.E., Washington 2, D. C.

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which will protect society and at the same time not offend the sensibility of those who believe capital punishment is contrary to the teachings of Jesus the Christ. We urgently urge Christians and our Churches to initiate, co-operate with, and support such studies.

(j) Freedom from Discrimination

We stand for the rights of racial groups and insist that the above social, economic, and spiritual principles apply to all races alike.

(k) War and Peace

We stand for these propositions: Christianity cannot be nationalistic; it must be universal in its outlook and appeal. War makes its appeal to force and hate, Christianity to reason and love. The influence of the Church must therefore always be on the side of every effort seeking to remove animosities and prejudices which are contrary to the spirit and teaching of Christ. It does not satisfy the Christian conscience to be told that war is inevitable. It staggers the imagination to contemplate another war with its unspeakable horrors in which modern science will make possible the destruction of whole populations. The methods of Jesus and the methods of war belong to different worlds. War is a crude and primitive force. It arouses passions which in the beginning may be unselfish and generous, but in the end war betrays those who trust in it. It offers no security that its decisions will be just and righteous. It leaves arrogance in the heart of the victor and resentment in the heart of the vanquished. When the teachings of Jesus are fully accepted, war as a means of settling international disputes will die, and dying will set the world free from a

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cruel tyrant. We have looked to international diplomacy to prevent war, and it has failed. We have trusted in international law to reduce the horrors and eliminate in a measure the cruelties of war, but war grows only more hideous and destructive. The time is at hand when the Church must rise in its might and demand an international organization which will make another war impossible.⁵

(l) Conscientious Objection

The Methodist Church, true to the principles of the New Testament, teaches respect for properly constituted civil authority. It holds that government rests upon the support of its conscientious citizenship, and that conscientious objectors to war in any or all of its manifestations are a natural outgrowth of the principle of good will and the Christian desire for universal peace; and holds that such objectors should not be oppressed by compulsory military service anywhere or at any time. We ask and claim exemption from all forms of military preparation or service for all conscientious objectors who may be members of The Methodist Church. In this they have the authority and support of their Church. However, we recognize the right of the individual to answer the call of his government in an emergency according to the dictates of his Christian conscience.

(m) Civil Rights

We stand for the recognition and maintenance of the rights and responsibilities of free speech, free assembly, and a free press, and for the encouragement of free com-

⁵For information on sections K and L write the Board of World Peace, 740 Rush St., Chicago 11, Illinois.

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munication of mind with mind, as essential to the discovery of truth.

We stand for the right of every individual and group of individuals to believe in and to advocate any peaceful method for the solution of any and all problems that may confront society. We stand upon the single principle of testing every such proposal in the light of the teachings of Jesus.

(n) Individual Economic Responsibility

We believe that society has a right to expect that every person, not physically or mentally incapacitated, shall be constantly engaged, so far as possible, in some vocation productive of common good.

V. OUR MANDATE—READ, STUDY, APPLY

We recommend that this Social Creed be read to our congregations at least once a year or placed in their hands in printed form. We further recommend that in every local church there shall be a committee to encourage the study of our Social Creed and to seek in every possible way to apply its principles.

DENOMINATIONAL STATEMENTS ON ECONOMIC LIFE

A. (*The General Conference of the Methodist Church, 1940.*) We believe that the industrial development which makes possible economic plenty for all, places upon men great moral responsibility in that the spiritual development of great masses of men is now needlessly hindered by poverty. We therefore stand for the abatement and prevention of poverty and the right of all men

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to live. We believe that it is our Christian duty to do our utmost to provide for all men opportunity to earn an adequate livelihood.

B. (*The General Council of the Congregational Christian Churches*, 1944.) Too many are harassed by insecurity and burdened by a poverty now made unnecessary by scientific advance and economic development. An inadequate material basis for health, family life and cultural pursuits is not conducive to a sense of divine vocation or to democratic strength, either for those who suffer or those who tolerate such a condition. Consequently, we need to serve the needs and promote the rights of working men and women, and to further democratic collaboration among workers, managers, and owners.



In particular do we need to prepare for the problems of economic demobilization; to serve shifting groups in the transition period; to urge and support voluntary planning for full production, employment, and stability where possible, and government planning where necessary; to arrange for supplementary economic aid by congregations to ease the consequences of depression or inflation.

C. (*The Northern Baptist Convention*, 1934.) We look forward to a more Christian social order in which such evils as unemployment, child labor and concentration of wealth may be eliminated by the application of the service motive throughout our entire industrial life.

D. (*The Executive Board of the United Lutheran Church of America*, 1946.) Every able-bodied person

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should be engaged in some useful work and society should be so constituted as to make this possible.



It is the right of every man to organize with his fellow workers for collective bargaining through representatives of his own free choice. It is the duty of both management and labor to accept and support conciliation and arbitration in industrial disputes.

E. (*General Synod of the Evangelical and Reformed Church, 1942.*) In order that the Christian principles of respect for personality, establishment of brotherhood, and obedience to the revealed will of God may find more adequate expression in our economic order, we commit ourselves to work for: . . .

Social control of banking, credit, and money so that justice may be done and the common good enhanced.

The establishment of an economic order which will set the welfare of society above the demands of the profit motive through a democratically planned economy; and, as a means to that end, the encouragement of producer and consumer co-operatives.

F. (*Southern Baptist Convention, 1938.*) We recognize the right of labor to organize and to engage in collective bargaining to the end that labor may have a fair and living wage, such as will provide not only for the necessities of life, but for recreation, pleasure, and culture.

G. (*The General Assembly of the Presbyterian Church in the United States of America, 1944.*) The closed shop is one method or instrument, among many, representing a stage of development in collective bargaining. When

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used, it should be adopted voluntarily by an industry. There are situations where the closed shop makes for justice and brotherhood in industrial relations, and there are other situations where it stands in the way of good relations. For example, the employer members of the Advisory Committee united in citing certain industries where the closed shop has been instrumental in bringing about sound industrial relationships; on the other hand, the labor members agreed that there are industries where the closed shop would injure sound industrial relationships.

The individual Christian is called upon to approach the issue of the closed shop neither with indiscriminating emotion nor with a preconceived theory. We believe that there is nothing in Christian faith and principle that either supports or denies the closed shop, as such, on ethical grounds. There is no ready-made answer, no short cut to what is right and best. The issue needs to be met in the light of the distinctive characteristics of the industry under consideration and the level reached in the development of its industrial relations.

H. (*The General Convention, Protestant Episcopal Church, 1934.*) Social insurance against such modern industrial hazards and economic insecurities as unemployment, illness, accident, and old age is in accord with every principle of Christian brotherhood and is endorsed.

JOINT STATEMENTS BY CATHOLIC, JEWISH, AND PROTESTANT LEADERS

A. (*Democracy and Economic Planning — signed by more than 100 Catholic, Protestant and Jewish leaders,*

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1938.) Owners and workers in the industries, in farming and in the professions, have the obligation, as producers of goods and services, to advance the welfare of their brothers who perform a like work with them, and the welfare of the public whom they serve. Incomes can and must be such that everyone may live well. Incomes must be balanced from group to group, from industry to industry, from profession to profession. Prices must be such as to let the people of every industry and profession get work and live well. To the same end every price must be balanced with every other price. A proper balance in buying power must be made to exist between workers and employers, between one industry and every other industry, between one profession and every other profession. Only by living incomes and balanced incomes and by living prices and balanced prices for all can we end unemployment, use our resources fully and advance in peace and progress.

B. Religious bodies dare not escape their responsibility to educate, with the aid of informed laymen, in regard to the moral and social aspects of such questions as have been here discussed including: the kind and degree of taxation; the relative emphasis upon voluntary and upon governmental leadership; the role of cooperatives for purchasing, credit, marketing; the possibility of setting up democratic economic planning; the importance of preserving religious and civil liberties; the need for new social inventions to deal with new conditions.

These questions should be taken up in religious assemblies, should be considered by the religious press and study courses. They all have religious aspects and implications, and require study in an atmosphere which reli-

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gious bodies are peculiarly prepared to supply. (In addition to strong statement on moral necessity to abolish unemployment, the above excerpt was adopted by the *Interfaith Conference on Unemployment*, Washington, D. C., 1940, convened by the Industrial Division, Federal Council of the Churches of Christ in America; the Social Action Department, National Catholic Welfare Conference; the Social Justice Commission, Central Conference of American Rabbis; and the Social Justice Committee, Rabbinical Assembly of America.)

C. (*Man's Relation to the Land*—signed by 75 Catholic, Protestant and Jewish leaders, 1945.) Suggested methods for the practical application of the declared principles on land policy included the following:

- 1) At all times encourage cooperatives as a means of intellectual, moral and material advancement.
- 2) Where and when large-scale industrialized farming exists and requires employment of seasonal or year-round labor, demand for such labor group a living family wage, decent housing conditions and collective bargaining.
- 3) Urge that wages and housing for the laborer on small farms be decent and just.
- 4) Extend social security provisions, particularly health, old age and survivors' insurance, to farm people and other rural dwellers.

D. The Pattern for Economic Justice includes:

- 1) The moral law must govern economic life.
- 2) The material resources of life are entrusted to man by God for the benefit of all.

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- 3) The moral purpose of economic life is social justice.
- 4) The profit motive must be subordinated to the moral law.
- 5) The common good necessitates the organization of men into free associations of their own choosing.
- 6) Organized cooperation of the functional economic groups among themselves and with the government must be substituted for the rule of competition.
- 7) It is the duty of the state to intervene in economic life whenever necessary to protect the rights of individuals and groups and to aid in the advancement of the general economic welfare.
- 8) International economic life is likewise subject to the moral law.

(The above declaration on economic justice was signed by 122 Catholic, Jewish, and Protestant leaders, and was made public October 16, 1946.)

THEY WANT LIFE

For the United States and the Western nations to talk about democracy, freedom, liberty, and justice in abstract principles is to talk a language which peoples in the underdeveloped areas do not understand. For Christians to preach in abstract theological terms about Him who is the Bread of Life is to preach a gospel that has little meaning for those who can neither read nor write and for whom bread, or its equivalent, is a luxury beyond their reach. What these people can understand is an irrigation system that brings water to their parched lands, making green the desolate places of their habita-

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tion. What these people can understand is a gospel translated into deeds of loving kindness, deeds that will make of their barren lands a place where is heard the song of the harvest.

The masses of Asia are not choosing among communism, democracy, and socialism. They want life. They want food for themselves and their children. They want raiment and shelter. When they have these things and when they are treated as equals in human dignity and worth, they will create a civilization of their own—one that may be more rewarding than any the world has yet seen.

(Statement from Walter W. Van Kirk, concerning technical assistance given at Toronto, Canada, 1952, before Division of Foreign Missions, National Council of Churches of Christ in the U. S. A.)

Statement from the Report on the THE CHURCH AND THE DISORDER OF SOCIETY, World Council of Churches

Christians should recognize with contrition that many churches are involved in the forms of economic injustice and racial discrimination which have created the conditions favourable to the growth of communism, and that the atheism and the anti-religious teaching of communism are in part a reaction to the chequered record of a professedly Christian society. It is one of the most fateful facts in modern history that often the working classes, including tenant farmers, came to believe that the churches were against them or indifferent to their plight. Christians should realize that the church has

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often failed to offer to its youth the appeal that can evoke a disciplined, purposeful and sacrificial response, and that in their respect communism has for many filled a moral and psychological vacuum.

The points of conflict between Christianity and the atheistic Marxian communism of our day are as follows: (1) the communist promise of what amounts to a complete redemption of man in history; (2) the belief that a particular class by virtue of its role as the bearer of a new order is free from the sins and ambiguities that Christians believe to be characteristic of all human existence; (3) the materialistic and deterministic teachings, however they may be qualified, that are incompatible with belief in God and with the Christian view of man as a person, made in God's image and responsible to Him; (4) the ruthless methods of communists in dealing with their opponents; (5) the demand of the party on its members for an exclusive and unqualified loyalty which belongs only to God, and the coercive policies of communist dictatorship in controlling every aspect of life.

The church should seek to resist the extension of any system, that not only includes oppressive elements but fails to provide any means by which the victims of oppression may criticize or act to correct it. It is a part of the mission of the church to raise its voice of protest wherever men are the victims of terror, wherever they are denied such fundamental human rights as the right to be secure against arbitrary arrest, and wherever governments use torture and cruel punishments to intimidate the consciences of men.

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The church should make clear that there are conflicts between Christianity and capitalism. The developments of capitalism vary from country to country and often the exploitation of the workers that was characteristic of early capitalism has been corrected in considerable measure by the influence of trade unions, social legislation and responsible management. But (1) capitalism tends to subordinate what should be the primary task of any economy—the meeting of human needs—to the economic advantages of those who have most power over its institutions. (2) It tends to produce serious inequalities. (3) It has developed a practical form of materialism in western nations in spite of their Christian background, for it has placed the greatest emphasis upon success in making money. (4) It has also kept the people of capitalist countries subject to a kind of fate which has taken the form of such social catastrophes as mass unemployment.

The Christian churches should reject the ideologies of both communism and *laissez faire* capitalism, and should seek to draw men away from the false assumption that these extremes are the only alternatives. Each has made promises which it could not redeem. Communist ideology puts the emphasis upon economic justice, and promises that freedom will come automatically after the completion of the revolution. Capitalism puts the emphasis upon freedom, and promises that justice will follow as a by-product of free enterprise; that, too, is an ideology which has been proved false. It is the responsibility of Christians to seek new, creative solutions which never allow either justice or freedom to destroy the other.

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WYATT AIKEN SMART

Dr. Smart was born in Newberry, South Carolina. He was educated at Webb School, Bell Buckle, Tennessee, Vanderbilt University, Union Theological School, and he took special studies at the University of Chicago.

He came from the pastorate to the chair of Biblical Theology at Emory University near Atlanta, Georgia in 1914. He became the associate dean of the School of Theology in 1943, and was the chaplain of the University from 1943 until his retirement.

Dr. Smart is the author of *The Contemporary Christ*, *The Spiritual Gospel*, *Still the Bible Speaks*, and he is co-author of *Preaching In These Times*.

BENSON YOUNG LANDIS

Dr. Landis was born near Coopersville, Pennsylvania. He graduated from Moravian College and Theological Seminary in Bethlehem, Pennsylvania. He has received an M.A. and a Ph.D. from Columbia University.

During the Interchurch World Movement in 1920 and 1921, Dr. Benson was the associate director of rural surveys in the Institute of Social and Religious Research.

He was the managing editor of *The Christian Work* from 1921-23, the associate secretary of the department of research and education of the Federal Council of Churches of Christ in America from 1923-46. In 1946, he became the secretary of the Washington office of the Federal Council. Since 1951, he has been the associate executive director of the department of research and

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survey of the National Council of the Churches of Christ in the U. S. A.

During 1934 Dr. Landis was the special advisor to the N. R. A. and from 1935-37 to the United States Department of Agriculture.

Dr. Landis is the author of *Rural Church Life in the Middle West*, *Social Aspects of Cooperative Marketing*, *The Church and Social Relations*, (with H. C. Herring) and *Professional Codes*.

HELEN WOOD

Miss Helen Wood was born in Philadelphia, Pennsylvania. She was educated at Wellesley College, where she took honors in economics and government, and at Columbia University, where she took a master's degree in economics.

She was apprentice case worker in the Family Society of Philadelphia from 1928 to 1930, was a research assistant at the Harvard Graduate School of Business Administration to 1934, entered the Pennsylvania Department of Labor and Industry in the Bureau of Women and Children in 1934. She went from there the following year to the Children's Bureau, the United States Department of Labor.

In 1943 Miss Wood joined the Bureau of Labor Statistics in the Department of Labor, where she is now the chief of the Branch of Occupational Studies.

Miss Wood is author and co-author of many publications.

In religious affiliation, Miss Wood is a Methodist and a member of the official board and Church Policy

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Committee of the Calvary Methodist Church, Washington, D. C. She is chairman of Christian Social Relations of her local Woman's Society of Christian Service.

WILLIAM WALTER VAN KIRK

Dr. Van Kirk was born in Cleveland, Ohio. He was educated at Doane Academy, Granville, Ohio, Ohio Wesleyan University, and Boston University School of Theology. He was ordained a minister in 1919, and served as a pastor in the New England Conference until 1925. In 1925 he became Secretary of the International Committee for Justice and Goodwill of the Federal Council of Churches, and he continues in that position under the National Council of Churches.

Dr. Van Kirk was the Director of the National Peace Conference from 1930 to 1935. He served as secretary to the Commission on a Just and Durable Peace. He was a member of the American Seminar, Pan American Conferences, in Lima, Peru, in 1938.

He was consultant to the American Delegation of the United Nations Conference in 1945. He was a member of the Conference on Peace Aims in Oxford, 1942, and of the Christian Deputation to Japan in 1945. He was secretary for the International Conference of Religious Leaders on Problems of World Order, Cambridge, England, in 1946. He was consultant for the Amsterdam Assembly of the World Council in 1948. In 1948 he was an accredited observer in the General Assembly of the United Nations in Paris.

Some of his best known books are: *Highways to International Goodwill*, *Religion and the World of Tomorrow*, *A Christian Global Strategy*.

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Along with his other work, Dr. Van Kirk is the radio commentator on "Religion in the News."

LAWRENCE SENESH

Lawrence Senesh — Economist and Assistant Director of The Joint Council on Economic Education, an organization financed by the Fund for Adult Education and the Committee for Economic Development to improve economic education in schools and colleges.

Mr. Senesh is directing the demonstration units and author of teachers' guides in various economic subjects. Prior to this position he was professor of social sciences at the University of Denver and assistant director of the Teaching Institute of Economics.

During the war he served with the United States Army in the South Pacific and received a Bronze Star for organizing the Information Education Program.

JAMES D. CALDERWOOD

James D. Calderwood is associate professor of economics at Ohio State University, where he specializes in international trade and finance. He was educated at the London School of Economics, the University of Geneva, Switzerland, and Ohio State University, receiving his Ph.D. from the last-named institution. He has taught at Michigan State College, Pennsylvania State University, the Air Force Institute of Technology, and in Austria at the Salzburg Seminar in American Studies. He has also worked for the U. S. Department of Agriculture and, during the war while in the army, for the Office of Strategic Services. He has had wide experience both

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as a consultant and lecturer on economic affairs both in the United States and in Europe where he lectured at the U. S. Information Centers in Germany and also serves as American correspondent for the Institute of International Economic Research in Italy. He is a co-author of *Economics: Basic Problems and Analysis*, published in 1951, and his new book, *International Economics: Introductory Analysis and Policy*, will appear shortly. He has contributed many articles and book reviews to journals in both the United States and Europe. For the year 1953-54 he is on leave of absence from his teaching position to serve as economist with the Committee on Economic Development and the Joint Council on Economic Education.

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